CAIIB 2026

Human Resource Management

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CAIIB EXAMINATION 2026

Human Resource Management

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CHAPTER 01
Fundamentals of Human Resource Management

May/June 2014

1. Based on current demographic projections, what will be the median age of India by the year 2030?
(A) 42.5 years
(B) 35.5 years
(C) 31.2 years
(D) 25.0 years

Oct/Nov 2019

2. What was an immediate outcome of the nationalisation of leading banks in 1969?
(A) Causing a rapid decline in the standard salaries of administrative staff and messengers.
(B) Facilitating the emergence of new private sector banks to replace public dominance.
(C) Expanding the system with a mandate to open branches and increase employment.
(D) Initiating the widespread outsourcing of core banking operations to foreign markets.

May/June 2007

3. What is meant by "Organisational Change"?
(A) The physical transfer of company headquarters to an overseas location for tax optimization.
(B) The scheduled replacement of the executive leadership team following an annual meeting.
(C) Modification of an organization's internal elements like structure, technology, and human resources.
(D) The outsourcing of auxiliary business operations to third-party vendors for cost reduction.

Oct/Nov 2022

4. Which statement concerning the new roles of HR Managers in banks is incorrect?
(A) As a Counselor, the HR manager plays a friend and career advisor role during promotions and lateral movements.
(B) As a Change Agent, the HR manager introduces institutional changes and organizational development programs.
(C) As a Mediator, the HR manager focuses exclusively on technical IT support for outsourced employees.
(D) As a Problem Solver, the HR manager resolves issues related to employee engagement and long-term planning.

May/June 2021

5. "Decisions regarding people must be integrated and consistent and should influence the effectiveness and efficiency of the organisation." This statement relates to which core element of HRM?
(A) Uniformity of application
(B) Behavioural Dynamics
(C) People
(D) Management

Oct/Nov 2011

6. Which of the following is NOT an Operational Function of HRM?
(A) Procurement
(B) Directing
(C) Compensation
(D) Maintenance

May/June 2009

7. Which of the following best defines "Human Capital" in an organizational context?
(A) Physical machinery and natural resources managed by the organization for productive output.
(B) The collective value of organizational knowledge, competencies, and skills.
(C) Structural capital including patented property and various proprietary technologies.
(D) Financial investments and capital allocations intended for global market

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expansion.

Oct/Nov 2006

8. Which of the following statements is correct regarding the impact of liberalisation and global linkages on Indian HR practices?
(A) Reinforcing traditional approaches based exclusively on local religion and caste systems.
(B) A transformation of attitudes toward HR, emphasizing competence and merit.
(C) Eliminating the requirement for structured HR policies within multinational corporations.
(D) Causing a total abandonment of traditional societal values within the domestic workforce.

May/June 2016

9. Which of the following statements regarding the valuation of human capital is incorrect?
(A) The strength of an organization arises out of the efficiency of processes and expertise developed by employees.
(B) Human capital is always reflected explicitly as a tangible asset on the main balance sheet of all companies.
(C) Developing expertise requires constant practice in the face of changing technological conditions.
(D) Software or MIS can capture competencies and convert them into productive and quantifiable outputs for valuation.

Oct/Nov 2025

10. What is the reservation percentage fixed by the Central Government for Other Backward Classes in Indian organizations?
(A) 7.5 per cent
(B) 15 per cent
(C) 27 per cent
(D) 33 per cent

May/June 2023

11. Which of the following is NOT one of the "New Roles of HR Managers in Banks"?
(A) Counselor
(B) Mediator
(C) Change Agent
(D) External Auditor

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Oct/Nov 2014

12. In the context of Human Resource Management, what do "Ethics" represent?
(A) Strict legal mandates from the government that organizations must follow without deviation.
(B) Financial incentive programs approved by the board to retain high-level executive talent.
(C) Moral obligations of employers to ensure equality and justice for employees.
(D) Quantitative metrics used to evaluate individual employee performance during annual reviews.

May/June 2012

13. Which statement accurately identifies a Developmental Function of HRM?
(A) Providing expert advice and preventive counselling for maintaining a healthier work environment.
(B) Forecasting manpower needs for optimum efficiency through HR Planning.
(C) Integrating human resources and its values with the organisation.
(D) Determining wage and salary administration.

Oct/Nov 2009

14. How does the current Knowledge era fundamentally differ from the Agrarian and Industrial eras in terms of wealth generation?
(A) Physical surroundings and natural resources serving as the foundation of wealth.
(B) Mechanical equipment and raw materials providing the main competitive advantage.
(C) Human capital converting knowledge into goods and services as a primary wealth source.
(D) Structural capital independently producing organizational value without human input.

May/June 2019

15. Which of the following is NOT categorized as a Managerial Function of HRM?
(A) Planning
(B) Organizing
(C) Controlling
(D) Integration

Oct/Nov 2018

16. How is "Human Resource Accounting" defined?
(A) Accounting for people as resources by

measuring the costs of recruitment, training, and development.
(B) The systematic auditing of employee attendance records and leave balances for payroll calculation.
(C) The strategic process of projecting skilled manpower requirements to meet future operational needs.
(D) The legal framework used for managing compensation for outsourced employees in foreign markets.

May/June 2025

17. Which of the following statements about ethics in HRM is incorrect?
(A) HR ethics solely apply to the firm's interactions with the world at large and not to one-on-one dealings.
(B) Treating employees ethically can garner long-term employee trust and loyalty.
(C) Business ethics is the behavior that a business adheres to in its daily dealings with the world.
(D) Ethical human resource management practices can lead to decreased staff turnover.

Oct/Nov 2016

18. Which ancient management treatise codified many aspects of general management principles as well as human resource practices thousands of years ago?
(A) Arthashastra
(B) The Vedantic Texts
(C) The Egyptian Book of the Dead
(D) The Mesopotamian Code

May/June 2018

19. Which of the following statements correctly identifies a feature of contemporary Indian HRM in transition?
(A) Decreasing the focus on essential technical competencies for management staff.
(B) Enforcing traditional industrial relations through strict command and control.
(C) Shifting away from strategic objectives toward basic maintenance functions.
(D) Emphasis on managerial training and contemporary structural redesign.

Oct/Nov 2007

20. When functioning as an internal consultant, what is the primary starting point for an HR professional?
(A) Having a clear understanding of the firm's environment, culture, and workforce demands.
(B) Immediately redesigning the incentive scheme to match the closest competitor.
(C) Firing underperforming employees to reduce the organization's fixed costs.
(D) Outsourcing all direct recruitment functions to reduce HR administrative overhead.

May/June 2005

21. The economic history of human wealth is divided into three major eras. Which of the following is NOT one of these eras?
(A) Agrarian era
(B) Industrial era
(C) Service era
(D) Knowledge era

Oct/Nov 2024

22. The American Society for Training and Development (ASTD) changed its name in 2004 to which of the following?
(A) Association of Human Resource Development (AHRD)
(B) Association of Talent Development (ATD)
(C) American Society for Talent Management (ASTM)
(D) Academy of Training and Development (ATD)

May/June 2010

23. The social systems approach to Management is based on which fundamental premise?
(A) An economic machine where human resources are treated solely as physical assets.
(B) A structure relying entirely on the personal charisma of leaders for goal achievement.
(C) An environment where individual goals are prioritized over organizational objectives.
(D) A cultural system of people working in cooperation to achieve common goals.

Oct/Nov 2010

24. Which statement about the role of Trade Unions in the current context is incorrect?
(A) The new-generation employees are less inclined to unionize.

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(B) Trade unions have redefined their approach, philosophy, and roles.
(C) The HR approach requires management to use new and dynamic strategies devoid of old approaches.
(D) Trade unions have completely dissolved and no longer hold any relevance globally.

May/June 2011

25. Which of the following correctly describes the "Functional Objectives" of HRM?
(A) Being ethically and socially responsible to the diverse challenges of modern society.
(B) Maintaining departmental contributions at levels appropriate to organizational needs.
(C) Assisting employees in achieving personal goals to improve their specific contributions.
(D) Recognizing the overall role of HRM in facilitating total organizational effectiveness.

Oct/Nov 2021

26. What does the term "Moonlighting" refer to?
(A) Assigning workers to night shifts to maximize productivity and facility usage.
(B) Moving employees from physical offices to permanent remote working arrangements.
(C) Reducing workforce size to ensure business continuity during economic downturns.
(D) Holding a second job or multiple assignments in addition to full-time employment.

May/June 2015

27. Which of the following is NOT listed as a core element of HRM?
(A) Strategic Financial Accounting
(B) People
(C) Management
(D) Behavioural Dynamics

Oct/Nov 2013

28. In recent years, what level has the attrition rate reached in the BPO and R&D activity sector?
(A) Almost 10% a year
(B) Almost 15% a year
(C) Almost 25% a year
(D) Almost 40% a year

May/June 2020

29. Which of the following statements is incorrect regarding the functions of HRM?
(A) Staffing is the process by which departments are optimally employed by cost-effective recruitment and selection.
(B) Procurement is an operational function that includes HR Planning, Recruitment, and Placement.
(C) Directing is an operational function focused entirely on wage and salary administration.
(D) Controlling is a managerial function involving regulating employee activities according to structured plans.

Oct/Nov 2005

30. What marked the transition from Personnel Management to Human Resource Development?
(A) Implementing the Factories Act and establishing the role of Labour Welfare Officer.
(B) The dissolution of trade unions in favor of direct individual contract negotiations.
(C) Centralizing recruitment functions through external placement agencies and headhunters.
(D) A shift from viewing employees as costs to valuing individuals finding meaning in work.

May/June 2013

31. Arrange the following terms in the chronological order of their evolution regarding the people management function.
(A) Labour Department → Personnel Department → HR Department → Human Capital Management
(B) HR Department → Labour Department → Human Capital Management → Personnel Department
(C) Personnel Department → Human Capital Management → Labour Department → HR Department
(D) Human Capital Management → HR Department → Personnel Department → Labour Department

Oct/Nov 2015

32. Identify the INCORRECT pair regarding the economic eras and their primary source of wealth.
(A) Agrarian era - Man and his immediate surroundings
(B) Knowledge era - Structural capital and rigid hierarchies
(C) Industrial era - Machinery and natural resources

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(D) Knowledge era - Human capital

May/June 2024

33. What is the most appropriate approach to avoiding ethical issues in Performance Appraisals?
(A) Basing appraisals entirely on the personal likes and dislikes of the HR Manager.
(B) Evolving a well-defined Performance Appraisal System based solely on measurable traits and quantitative parameters.
(C) Conducting reviews solely based on the emotional state of the employee on the day of appraisal.
(D) Guaranteeing that every employee receives the exact same performance rating regardless of output.

Oct/Nov 2008

34. Consider the following statements regarding Confidentiality/Privacy in HR ethics:
I. Employees believe their religious, political, and social beliefs are private matters and should be safeguarded.
II. Exceptions to privacy are permitted only when issues are specifically permitted under relevant statutory frameworks.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2022

35. Match the Professional Roles of HRM (List I) with their duties (List II).
List I: (Professional Roles)
P. Advisory Role
Q. Functional Role
R. Service Role
S. Specialist Role
List II: (Duties)
1. Interpreting and helping communicate HR policies, acting as a mentor to other verticals.
2. Designing structures and guidelines on employment terms and laying down SOPs.
3. Developing deep expertise in one major aspect like IR, HR Analytics, or Recruitment.
4. Acting as the provider of useful information on HRM matters to keep the organization up to date.
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2023

36. Consider the following statements regarding employee development trends:
I. A high percentage of non-regular employees state they want to enhance their knowledge and skills.
II. Only a small fraction of non-regular employees receive company-provided education.
III. The level of satisfaction for human resource development was universally high among all non-regular employees regardless of workplace support.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2008

37. What is the most appropriate reason for the new global interest in India's "demographic dividend"?
(A) India's young median age by 2030 contrasts with the aging workforce in other economies.
(B) India is reducing its retirement age to offset the impact of rapid workplace automation.
(C) India has the most expensive labor pool relative to progressive European nations.
(D) India possesses the largest reserves of agrarian wealth among the various BRICS nations.

Oct/Nov 2017

38. Match the Key HRM Practices in Indian Organisations (List I) with their observable features (List II).
List I: (HRM Practices)
P. Recruitment
Q. Performance Appraisal
R. Career Planning
S. Compensation
List II: (Features)
1. Very low coverage of employees under formal rewards or organizational goals.
2. Strong emphasis on security and lifetime

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employment in the public sector.
3. Limited in scope; seniority-based escalator system in the public sector provides stability.
4. Strong dependence on formal labour market and institutions of higher learning.

(A) P-4, Q-1, R-3, S-2
(B) P-2, Q-3, R-1, S-4
(C) P-1, Q-4, R-2, S-3
(D) P-3, Q-2, R-4, S-1

May/June 2006

39. Consider the following statements regarding Moonlighting:
I. Moonlighting refers exclusively to working on the night shift for a single employer.
II. The concerns about moonlighting include data confidentiality breaches and reduced employee engagement.

Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2012

40. Match the Managerial Functions of HRM (List I) with their descriptions (List II).
List I: (Managerial Functions)
P. Planning
Q. Organizing
R. Directing
S. Controlling
List II: (Descriptions)
1. Allocating tasks, identifying relationships, and integrating activities towards a common goal.
2. Regulating, checking, and verifying whether everything is in conformity with laid down plans.
3. Leading, supervising, guiding personnel, and laying down policies.
4. Pre-determined future course of action involving research on best employee practices and forecasting needs.

(A) P-1, Q-4, R-3, S-2
(B) P-4, Q-1, R-3, S-2
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-1, R-4, S-3

May/June 2017

41. Consider the following statements about the qualities of a successful HR professional:
I. Should possess a high degree of freedom from bias.
II. Must have a passion for public fame and take all credit from subordinates.
III. Must have the ability to understand human psychology and possess effective communication skills.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2020

42. Which is the best description of "Building an Employment Brand"?
(A) Creating marketing campaigns to sell financial products directly to retail consumers.
(B) Redesigning logos to align with traditional aesthetics from the agrarian era.
(C) Communicating workplace values so the company becomes an employer of choice.
(D) Paying external agencies to inflate the company's market capitalization metrics.

May/June 2024

43. Identify the correct pair regarding the HR Operational Function and its specific activity.
(A) Procurement - Wage and Salary administration
(B) Maintenance - Sustaining and improving working conditions
(C) Development - Induction and Placement
(D) Compensation - Career Planning and Mentoring

Oct/Nov 2011

44. Match the New Roles of HR Managers in Banks (List I) with their descriptions (List II).
List I: (Roles in Banks)
P. Counselor
Q. Mediator
R. Problem Solver
S. Change Agent
List II: (Descriptions)
1. Introducing and implementing institutional changes and organizational development programs.
2. Playing the role of a peacemaker during disputes and displaying proficiency in union handling.

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3. Providing consultations about personal, health, physical, and career problems.
4. Solving problems related to the engagement of human resources and long-term planning.

(A) P-4, Q-2, R-1, S-3
(B) P-3, Q-2, R-4, S-1
(C) P-2, Q-3, R-1, S-4
(D) P-1, Q-4, R-2, S-3

May/June 2012

45. Consider the following statements regarding HR capabilities and professionalism in India:

I. HR capabilities in India are comparatively stronger than all other Asian nations.
II. One reason for lack of professionalism could be the existence of three different types of firms (Indian global, Global adapting to India, and Home-grown).
III. Regional variations in industry size and business culture can nullify proactive HR efforts.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2008

46. In the Knowledge era, what is the ultimate essence of business?
(A) To acquire vast amounts of physical land for agrarian expansion.
(B) To convert knowledge into goods and services required by the customer.
(C) To establish strict hierarchical structures to command mechanical labor.
(D) To rely entirely on foreign direct investment for structural capital.

May/June 2005

47. Consider the following statements regarding the Reservation System in Indian Organizations:

I. The Central Government has fixed 15 per cent reservations for scheduled castes.
II. The Central Government has fixed 27 per cent reservations for scheduled tribes.

Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

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Oct/Nov 2022

48. Match the Objectives of HRM (List I) with their corresponding descriptions (List II).
List I: (Objectives of HRM)
P. Societal Objectives
Q. Organisational Objectives
R. Functional Objectives
S. Personal Objectives
List II: (Descriptions)
1. To develop and maintain departmental contribution appropriate to the organisation's needs.
2. To assist employees in achieving their personal goals to enhance individual contribution.
3. To be ethically and socially responsible to the needs of the society.
4. To recognize the role of HRM in bringing about organisational effectiveness.

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2018

49. Identify the INCORRECT pair regarding the New Roles of HR Managers in Banks and their description.
(A) Mediator - Solving problems related to long-term organizational planning
(B) Counselor - Friend and career advisor in time of promotions and transfers
(C) Change Agent - Installing organizational development programs
(D) Management of Manpower Resources - Concerned with people management at individual and group levels

Oct/Nov 2006

50. Match the following management concepts (List I) with their respective descriptions (List II).
List I: (Concepts)
P. Social systems approach
Q. Leadership choices
R. Managerial capability research
S. Arthashastra
List II: (Descriptions)
1. Principles of financial administration and management of people.
2. Organization as a cultural system composed of people working in cooperation.
3. Linkage between a manager's capability to

set expectations and individual strength.
4. Choices related to the amount of authority used by a manager and team freedom.

(A) P-3, Q-4, R-1, S-2
(B) P-2, Q-4, R-3, S-1
(C) P-1, Q-2, R-4, S-3
(D) P-4, Q-1, R-2, S-3

May/June 2013

51. Consider the following statements regarding the transformation of HRM terminology:
I. The Personnel Department was renamed to the HR Department.
II. Human Resource Management is currently often referred to as Human Capital Management.
III. Traditional activities have been completely discarded and no longer serve as sub-modules of the broad HR function.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2012

52. Arrange the following economic eras in the chronological order of their widespread dominance.
(A) Knowledge era → Industrial era → Agrarian era
(B) Industrial era → Agrarian era → Knowledge era
(C) Agrarian era → Knowledge era → Industrial era
(D) Agrarian era → Industrial era → Knowledge era

May/June 2007

53. Match the Developmental Functions of HRM (List I) with their objectives (List II).
List I: (Developmental Functions)
P. Retention Management
Q. Change Management
R. Employee Engagement
S. Talent Management
List II: (Objectives)
1. Ensuring employees are fully involved in their jobs to enhance morale.
2. Hiring, developing, and retaining required skills through progressive career plans.
3. Ensuring key talents are attached to the organisation for business continuity.
4. Managing internal initiated transitions or mergers/acquisitions.

(A) P-1, Q-4, R-3, S-2
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2018

54. Consider the following statements regarding Human Capital Valuation:
I. Developing expertise requires constant practice, making human capital the basis for the constant creation of customer and structural capital.
II. A dynamic Management Information System (MIS) can be used to capture elements of human contribution and convert them into a quantifiable output.

Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2023

55. Identify the correct pair regarding management researchers and their associated behavioral studies or theories.
(A) Likert - University of Michigan behavioral studies
(B) Herzberg - Theory X and Theory Y
(C) McClelland - Motivation-Hygiene theory
(D) Argyris - Achievement Motivation

Oct/Nov 2013

56. What is the primary objective of an effective employee policy?
(A) Outlining management's vision and ensuring consistent treatment by minimizing favoritism.
(B) Creating maximum disparity between groups to encourage intense internal competition.
(C) Ensuring that HR processes remain static without evolving to meet modern demands.
(D) Legally obliging employees to waive their rights to information and privacy.

May/June 2016

57. Consider the following statements regarding the social systems approach to management:

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I. The organization is a social system composed of cultural relationships.
II. Cooperation among group members is essential for achieving organizational objectives.
III. The hallmark of effective management is absolute dominance of organizational goals over individual group goals.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2024

58. Match the Operational Functions of HRM (List I) with their components (List II).

List I: (Operational Functions)
P. Procurement
Q. Development
R. Compensation
S. Maintenance

List II: (Components)
1. Sustaining and improving working conditions and motivation.
2. Training, Skill Development, and Career Planning.
3. Wage and Salary determination.
4. HR Planning, Recruitment, and Induction.

(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2010

59. Consider the following statements regarding the Hawthorne studies:
I. They demonstrated that productivity was primarily affected by the physical machinery rather than human emotion.
II. They revealed that the emotional state of the employee and relationships with peers and supervisors heavily impact productivity.

Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2017

60. Match the Ethical Issues in HR (List I) with their specific concerns (List II).

List I: (Ethical Issues)
P. Incentive plans
Q. Diversity issues
R. Recruitment & Promotion Issues
S. Confidentiality/Privacy

List II: (Concerns)
1. Protecting a person's religious, political, and social beliefs from unwarranted actions.
2. Pressures to hire a relative of a highly placed executive or handling faked credentials.
3. Treating employees equally irrespective of demographic variables.
4. Pressures to favor top management interests over other employees through high rates of long-term financial rewards.

(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2019

61. Consider the following statements on the managerial and operational functions of HRM:
I. Planning is an operational function involving wage and salary administration.
II. Organizing is a managerial function that involves allocating resources, authority, and responsibility.
III. Staffing is a process to attract the best fit by optimally employing functional departments.
IV. Compensation is an operational function that determines wage and salary.
V. Controlling involves regulating employee activities to check conformity with laid down plans.

Which of the above statement(s) is/are correct?
(A) I, II, III, and V
(B) II, III, IV, and V
(C) I, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2016

62. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.

Assertion (A): Performance appraisals can become an ethical issue when they are rated based on the subjective likes and dislikes of the superior.

Reason (R): The cornerstone of high ethical

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performance reviews should be to provide an honest assessment based on measurable traits to improve work effectiveness.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2015

63. Consider the following statements regarding the economic history of human wealth:

I. In the Agrarian era, man and his immediate surroundings were the primary source of wealth.
II. In the Industrial era, machinery and natural resources formed the source of wealth.
III. In the Knowledge era, human capital is the primary source of wealth.
IV. Human capital ownership is permanently transferable, just like physical land.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

Oct/Nov 2005

64. To manage the IT team better, the new HR head advises managers to use a framework where they are flexible in choosing a range of leadership styles. This approach relates to the balance between:

(A) Exercising absolute authority with no freedom provided to the operational team.
(B) Relying entirely on the personal charisma and vision of the executive leadership.
(C) The balance between managerial authority and team freedom.
(D) Reverting to traditional maintenance functions found in earlier economic eras.

May/June 2025

65. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.

Assertion (A): Any organisation which aims to get the best of its people should ensure that HR policies are highly static and immune to environmental shifts.

Reason (R): The external environment of an organisation is a subject of increasing interest due to frequent political, economic, and technological changes.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

66. In a multinational bank, the HR executive is asked to adjust the rules for designing the top-management incentive plan. What is a common rationale cited for such practices in competitive environments?

(A) The fear of losing outstanding executives if higher incentives are not paid.
(B) The desire to strictly follow equal diversity parameters across the workforce.
(C) The necessity to publish exact compensation figures under transparency mandates.
(D) The mandate to decrease the bank's operational profitability for tax reasons.

May/June 2020

67. Consider the following statements regarding Liberalisation and global linkages:

I. They created a distinct transformation of attitudes towards HR policies and practices.
II. MNCs emphasized competence and merit, changing the work environment for the better.
III. The traditional role of staff departments exclusively focused on maintaining Industrial Relations remained completely unchanged.
IV. Employee engagement has come to be accepted as a part of good HR practice.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) II, III, and IV
(C) I, II, and IV
(D) I, III, and IV

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Oct/Nov 2009

68. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.

Assertion (A): The Hawthorne studies proved that financial incentives and mechanistic approaches alone are the sole drivers of employee productivity.

Reason (R): Traditional labour departments often relied on a rule-based and legalistic approaches for managing labour management situations.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

69. During the transition, the PSB's HR head observes that the new breed of young talents is frequently switching jobs for more challenging assignments, changing the definition of organizational loyalty. This shift highlights which specific contemporary reality?

(A) Job security is no longer the primary issue for job aspirants in highly professionalized markets.
(B) The workforce exclusively desires lifetime employment regardless of the job role.
(C) Zero staff turnover is easily achievable through basic compensation.
(D) Traditional allurements like terminal benefits are more attractive today than high cash compensation.

Oct/Nov 2025

70. Consider the following statements regarding Key HRM Practices in Indian Organisations:

I. Job descriptions have a very high percentage of formally defined work roles.
II. Recruitment shows a strong dependence on the informal labour market, rejecting higher learning institutions.
III. Compensation in the public sector places a strong emphasis on security and lifetime employment.
IV. Performance Appraisal coverage for formal rewards is very low.
V. Career Planning paths commonly involve widespread cross-functional movement in the public sector.

Which of the above statement(s) is/are correct?
(A) I, III, and IV
(B) II, III, and V
(C) I, II, and IV
(D) III, IV, and V

May/June 2022

71. A private sector bank wants to attract the best market talent by becoming an employer of choice. The HR Head initiates a project to build the company's employment brand. What is identified as the necessary first step before moving into external promotional activities?

(A) Getting the top management convinced about the strategy and setting clear employment brand objectives.
(B) Publishing a press release about standard wages.
(C) Firing older employees to create a youthful image.
(D) Instantly offering lifetime employment guarantees to all applicants.

Oct/Nov 2010

72. Consider the following statements regarding ethical issues in the HR function:

I. Compensation issues may involve pressures to justify a higher level of base salaries than competitive practice calls for.
II. Ethical dilemmas regarding perquisites occur when executive perks are out of proportion to the value added.
III. Promoting a favorite employee despite poor performance appraisals is an example of an ethical issue in recruitment and promotion.
IV. Diversity issues are fully eliminated since all organizations naturally ignore demographic variables without legal frameworks.

Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, II, and IV
(D) I, III, and IV

May/June 2008

73. The following question consists of two statements, an Assertion (A) and a Reason (R).

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Select the correct answer using the options given below.
Assertion (A): New organisational theory advocates that organisations must maintain zero staff turnover to prevent decadence.
Reason (R): A reasonable level of attrition is required to allow the inflow of new talents and ideas which make the organization vibrant.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

74. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.
Assertion (A): In reality, human capital is one resource which is seriously undermanaged in most organisations.
Reason (R): In most organisations, the management is more concerned about the output from processes rather than rewarding the intellectual capital that leads to the contribution.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

75. In a multinational bank, the HR manager is pressured by top executives to approve spending large sums on luxurious renovations for the CEO's residence. This situation primarily presents an ethical dilemma related to which issue?
(A) Diversity issues
(B) Performance Appraisals
(C) Confidentiality/Privacy
(D) Perquisites

NODIA

Oct/Nov 2015

76. Consider the following statements regarding the objectives of HRM:
I. Societal Objectives aim to minimize the negative impact of societal demands on the organization.
II. Organisational Objectives view HRM as a major constituent in achieving overall effectiveness.
III. Functional Objectives focus strictly on ensuring employees reach their personal leisure goals regardless of organizational needs.
IV. Personal Objectives assist employees in achieving their personal goals to enhance their contribution to the organization.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

May/June 2006

77. An IT firm introduces a work-from-home policy. Six months later, the HR department discovers that several employees are secretly working for rival companies during their designated shift hours. What is this phenomenon termed?
(A) Outsourcing
(B) Intellectual Sourcing
(C) Structural Networking
(D) Moonlighting

Oct/Nov 2021

78. Consider the following statements regarding outsourcing from overseas markets:
I. A primary temptation for businesses in high-wage economies to outsource is lower wage rates in developing markets.
II. Recent university graduates in some markets earn wages significantly lower than those in established Western IT profiles.
III. Outsourced jobs generally require complex, autonomous decision-making with no set instructions.
IV. The decentralization of information processing is heavily reliant on internet and high-speed satellite communication.
V. Medical record scanning and legal transcription are common examples of outsourced jobs.
Which of the above statement(s) is/are correct?

(A) I, II, IV, and V
(B) I, II, III, and IV
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2009

79. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.
Assertion (A): In India, an employee's right to privacy in the workplace has no exceptions and can never be accessed by the employer.
Reason (R): Exceptions to employee privacy are permitted when such issues are specifically mandated under the relevant Right to Information statutory provisions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2020

80. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.
Assertion (A): Moonlighting emerged as a significant topic of concern, especially in IT industries, during the 'Work-from-home' model.
Reason (R): Moonlighting involves employees taking up a second job or multiple assignments, raising concerns about data confidentiality breaches and loss of productivity.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

81. To prevent ethical issues, a bank implements a new review policy where superiors must assess subordinates transparently. To avoid bias based on personal likes and dislikes, the system must be based on:
(A) Subjective judgments by the highest-ranking officer alone.
(B) Demographic variables of the employee.
(C) Measurable traits and quantitative parameters.
(D) The seniority-based escalator system without merit review.

Oct/Nov 2023

82. Consider the following statements on the evolution of banking HRM:
I. In 1969, nationalization led to the opening of the banking system and an increase in employment opportunities.
II. The linking of workers' Dearness Allowance (DA) with the working class index occurred in 1970.
III. Till 1990, the banking scenario was dominated by the public sector and old generation private banks.
IV. Recent committee reports suggested a reversal of liberalization and the banning of foreign banks.
V. Liberalization in the 1990s ushered in the emergence of private banks and modern HR practices.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, II, III, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2024

83. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.
Assertion (A): Indian managerial leaders in a recent survey were found to be heavily dependent on their personal charisma rather than logical implementation processes.
Reason (R): Contemporary Indian multinational companies have started shifting their emphasis to human resources with knowledge and experience as the central area of attention.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation

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of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

84. The bank decides to introduce a system that records the potential value of its human resources and the replacement cost when good talent leaves. Which specific concept is the bank implementing?
(A) Financial Capital Depreciation
(B) Right to Information compliance
(C) Human Resource Accounting
(D) Retrospective Labour Management

May/June 2005

85. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.
Assertion (A): The BPO and R&D activity sectors enjoy extremely low attrition rates due to their high popularity among young professionals.
Reason (R): Long hours on the job floor and inconvenient timings have impacted the popularity of these sectors.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

86. Consider the following statements regarding building a company brand:
I. An HR head can use and promote branded components of service conditions whose image reinforces desired attributes.
II. Getting the top management convinced about the brand objective is an essential early step.
III. Online strategies like press releases and articles are powerful media for spreading word about the company.
IV. Salary is established as the only measure of a good workplace, making all other factors irrelevant.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

May/June 2023

87. An IT firm is facing a 25% attrition rate. The HR manager devises new schemes specifically to find the reasons for turnover and minimize the impact of separations caused by resignations. Which HR developmental function is being executed?
(A) Talent Acquisition
(B) Attrition/Turnover Management
(C) Change Management
(D) Procurement

NODIA

Oct/Nov 2013

88. Consider the following statements on the roles of HR Managers in Banks:
I. The Counselor role involves consultations about personal and career problems.
II. The Mediator role requires playing peacemaker and displaying proficiency in union handling.
III. The Change Agent role involves installing organizational development programs.
IV. Management of Manpower Resources is concerned solely with individual-level management, ignoring group levels.
V. The future roles of HR managers include acting as a strategic change agent for better organizational effectiveness.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, II, III, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2014

89. A large Public Sector Bank (PSB) decides to modernize its personnel function to align with new-generation banks. Historically, the department handled mere wage administration. As part of this transformation, what contemporary title will the traditional "Personnel Officers" most likely adopt?
(A) Labour Welfare Officers
(B) HR Officers
(C) Time-keeping Executives
(D) Operations Supervisors

Oct/Nov 2019

90. The following question consists of two statements, an Assertion (A) and a Reason (R). Select the correct answer using the options given below.

Assertion (A): The cost of manpower and human capital available to a company can be ascertained with 100% confidence using Human Resource Accounting.

Reason (R): Human capital represents a living organism whose compatibility and reactions are rarely standard or perfectly predictable.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

91. An organization is preparing for the future, recognizing the influx of a massive young workforce. The CEO states that their primary source of wealth is the knowledge and skills of these people. This philosophy is characteristic of which era?

(A) Agrarian era
(B) Knowledge era
(C) Industrial era
(D) Mechanistic era

Oct/Nov 2008

92. A manufacturing firm's HR department is restructuring its internal framework. The HR manager identifies relationships and allocates tasks and resources among members to achieve organizational goals. Which managerial function is being performed?

(A) Planning
(B) Directing
(C) Organizing
(D) Controlling

May/June 2007

93. While building a workplace brand, the HR Head recognizes that salary is no longer the only measure. Which of the following is NOT typically listed as one of the factors employees are looking for in a good workplace?

(A) Freedom of work
(B) Recognition for good work
(C) Good work-life and social-life balance
(D) Rigid, inflexible timings

Oct/Nov 2017

94. The HR team is trained to understand that unlike raw materials, human resources are not passive. Why is human resource considered inherently different from other organizational resources?

(A) A resource that does not require any form of financial or non-financial compensation.
(B) A form of capital where ownership is fully and permanently transferable between parties.
(C) A living organism whose compatibility and response are not standard or uniform.
(D) An asset class that operates purely based on rigid and mechanistic routines.

May/June 2012

95. The HR department designs guidelines on social responsibility, compensation, and retirement, and advises the top management on implementing these. Which professional role of HRM does this represent?

(A) Advisory Role
(B) Specialist Role
(C) Functional Role
(D) Service Role

Oct/Nov 2010

96. When calling for resumes, how should the HR Head word the advertisement to best support the employer branding strategy?

(A) Focus purely on the legal penalties associated with employee underperformance.
(B) Word it to build the company brand in terms of credibility and welfare.
(C) Emphasize only the routine technical requirements and basic duties of the job.
(D) Avoid mentioning the company's name to maintain a sense of organizational anonymity.

May/June 2025

97. Which of the following best captures the essence of the idea that human capital is the primary base of long-term competition in the modern era?

(A) Human capital is the main base of competition, indicated by education

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effectiveness.

(B) Human capital is a passive asset that should only be rented on a temporary basis.

(C) Machinery and natural resources will eventually overtake human capital in total value.

(D) Human capital should be aggressively downsized during times of major structural shift.

Oct/Nov 2006

98. To ensure everything is running efficiently, the HR manager regularly checks and verifies that employee activities conform to laid-down plans, ready to take corrective measures if deviations occur. This is known as:

(A) Staffing

(B) Controlling

(C) Recruitment

(D) Retention Management

May/June 2015

99. Following the restructuring, a firm launches programs focusing on skill development, mentoring, and career planning. These tasks fall under which Operational Function of HRM?

(A) Procurement

(B) Integration

(C) Maintenance

(D) Development

Oct/Nov 2024

100. To integrate a new workforce, the HR Head implements organizational development programs and restructures the firm to utilize technology better. In performing this task, which specific role is the HR Head assuming?

(A) Peacemaker

(B) Counselor

(C) Time Keeper

(D) Change Agent

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ANSWERS

1. (C) 31.2 years
Current demographic projections indicate that the median age of the Indian population will be approximately thirty-one years by the year twenty-thirty. This youthful demographic profile represents a significant advantage, often referred to as a demographic dividend. It positions the nation uniquely among global economies that are currently facing the challenges of an aging workforce and population.

2. (C) Expanding the system with a mandate to open branches and increase employment.
The nationalisation of fourteen major commercial banks in nineteen-sixty-nine fundamentally transformed the Indian banking landscape. This move shifted the focus from class banking to mass banking, leading to a massive expansion of branch networks across rural and semi-urban areas. Consequently, there was a substantial surge in recruitment, creating numerous employment opportunities within the growing public sector banking framework.

3. (C) Modification of an organization's internal elements like structure, technology, and human resources.
Organisational change involves a deliberate and significant modification of various internal components to improve overall performance and adaptability. These internal elements typically include the formal structure, technological systems, work processes, and human resource policies. Such transformations are essential for staying competitive in a dynamic business environment and ensuring long-term sustainability through continuous improvement and strategic alignment with market demands.

4. (C) As a Mediator, the HR manager focuses exclusively on technical IT support for outsourced employees.
In the modern banking sector, the role of a mediator is focused on maintaining industrial harmony rather than technical support. The HR professional acts as a peacemaker between employees and management, resolving conflicts and handling union-related issues effectively. This role requires strong interpersonal skills and emotional intelligence to ensure a cooperative work environment, which is distinct from providing IT troubleshooting.

5. (D) Management
Human resource management emphasizes that decisions regarding people must be integrated with the broader organizational strategy. This specific element focuses on applying management principles to optimize the utilization of human talent. By ensuring that personnel policies are consistent and effective, the organization can achieve its goals efficiently while maintaining a high level of performance across all functional departments and teams.

6. (B) Directing
Within the framework of human resource management, functions are categorized into managerial and operational types. Procurement, compensation, and maintenance are considered operational functions because they deal with specific personnel tasks. In contrast, directing is a core managerial function. It involves leading, supervising, and motivating employees to achieve organizational objectives, serving as a guiding force for the entire workforce and management.

7. (B) The collective value of organizational knowledge, competencies, and skills.
Human capital represents the intangible assets that employees bring to an organization through their education, training, and experience. It encompasses the collective knowledge, specialized skills, and innovative competencies that drive organizational productivity and competitive advantage. Unlike physical assets, human capital resides within individuals and is cultivated through continuous learning and development initiatives, making it a critical driver of modern economic wealth.

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8. (B) A transformation of attitudes toward HR, emphasizing competence and merit.
The advent of economic liberalisation and increased global linkages significantly altered the landscape of Indian management. Organizations began to move away from traditional, seniority-based systems toward more professionalized human resource practices. This shift placed a renewed emphasis on individual competence and merit-based progression. Consequently, HR policies were redesigned to attract and retain high-quality talent in an increasingly competitive market.

9. (B) Human capital is always reflected explicitly as a tangible asset on the main balance sheet of all companies.
While human capital is a vital driver of organizational success, it is typically classified as an intangible asset rather than a tangible one. Most standard accounting practices do not explicitly list the value of employees on the main balance sheet alongside physical property or equipment. Measuring this value is complex, as it involves quantifying expertise, experience, and the potential for future innovation.

10. (C) 27 per cent
In India, the Central Government has implemented a reservation policy to promote social equity and provide opportunities to marginalized groups. Currently, a specific quota of twenty-seven percent is reserved for candidates belonging to the Other Backward Classes in government jobs and educational institutions. This is part of a broader framework that also includes reservations for Scheduled Castes and Scheduled Tribes to ensure diversity.

11. (D) External Auditor
Human resource managers in the banking sector have evolved to take on various specialized roles such as counselor, mediator, and change agent. These roles focus on internal employee development, conflict resolution, and organizational growth. However, an external auditor is typically an independent professional from outside the organization who evaluates financial records or compliance. This function does not fall under the standard HR roles.

12. (C) Moral obligations of employers to ensure equality and justice for employees.
Ethics in human resource management refer to the moral principles and values that guide the treatment of employees within an organization. It involves a commitment to fairness, transparency, and justice in all personnel-related decisions, such as hiring, promotions, and compensation. By adhering to ethical standards, employers can build a culture of trust and integrity, which ultimately enhances employee loyalty and performance.

13. (A) Providing expert advice and preventive counselling for maintaining a healthier work environment.
The developmental functions of human resource management are aimed at improving the capabilities and well-being of the workforce. This includes providing specialized counseling and expert advice to help employees manage personal or professional challenges. By fostering a healthy and supportive work environment, the organization encourages continuous growth and skill enhancement, which are essential for long-term individual and organizational success in a competitive landscape.

14. (C) Human capital converting knowledge into goods and services as a primary wealth source.
The knowledge era represents a fundamental shift in how economic value is generated compared to the agrarian and industrial periods. In this modern context, human capital has replaced land and machinery as the primary source of wealth. Success depends on the ability of skilled individuals to apply their expertise and intellectual capabilities to create innovative goods and services that meet market needs.

15. (D) Integration
Management functions in HRM traditionally include planning, organizing, directing, and controlling. These activities provide the framework for managing the workforce effectively. Integration, however, is classified as an operational function. It focuses on aligning the goals of individual employees with those of the organization. This involves creating a sense of belonging and ensuring that the human element is harmonized with the overall organizational objectives and values.

NODIA

16. (A) Accounting for people as resources by measuring the costs of recruitment, training, and development.
Human Resource Accounting is a specialized process that involves identifying and measuring data about human resources and communicating this information to interested parties. It treats employees as organizational assets by quantifying the investments made in their recruitment, selection, and training. This approach helps management evaluate the cost-effectiveness of HR policies and understand the long-term value generated by the organization's intellectual capital.

17. (A) HR ethics solely apply to the firm's interactions with the world at large and not to one-on-one dealings.
Ethics in human resource management are comprehensive and apply to all levels of interaction within and outside the organization. They govern personal, one-on-one dealings between managers and subordinates just as much as they guide the firm's broader corporate social responsibility. Implementing ethical practices consistently helps in building a positive organizational culture, reducing employee turnover, and fostering long-term trust among all stakeholders involved.

18. (A) Arthashastra
Kautilya's Arthashastra is an ancient Indian treatise that provides detailed insights into statecraft, economic policy, and military strategy. It also contains significant sections on management principles and human resource practices used thousands of years ago. The text outlines the importance of financial administration and the systematic management of people, demonstrating that structured organizational concepts have deep historical roots in the Indian subcontinent.

19. (D) Emphasis on managerial training and contemporary structural redesign.
Contemporary human resource management in India is undergoing a significant transition toward modernization. Organizations are increasingly focusing on enhancing managerial capabilities through structured training programs and redesigned organizational structures. This evolution is driven by the need to stay competitive in a globalized economy. By moving away from traditional maintenance-focused roles, HR now plays a more strategic part in driving organizational efficiency and long-term professional growth.

20. (A) Having a clear understanding of the firm's environment, culture, and workforce demands.
To function effectively as an internal consultant, an HR professional must first gain a deep understanding of the unique organizational context. This involves analyzing the company's internal culture, its external competitive environment, and the specific needs of its workforce. By establishing this foundational knowledge, the consultant can provide relevant and actionable advice that aligns with the organization's strategic goals and operational realities.

21. (C) Service era
The economic history of human wealth is traditionally categorized into three distinct eras: the agrarian era, the industrial era, and the modern knowledge era. Each period is defined by its primary source of wealth and productivity. While the service sector is a significant part of modern economies, it is not considered one of the three foundational eras in this specific historical framework.

22. (B) Association of Talent Development (ATD)
The American Society for Training and Development rebranded itself as the Association for Talent Development to reflect the evolving nature of the profession. This change signifies a broader focus that goes beyond traditional training to encompass the comprehensive development of talent within organizations. The shift highlights the growing importance of talent management as a core strategic function in the modern global business environment.

23. (D) A cultural system of people working in cooperation to achieve common goals.
The social systems approach views an organization as a complex cultural system composed of individuals who interact and cooperate with one another. This perspective emphasizes that achieving organizational objectives depends on the quality of relationships and the shared values among group members. By fostering a cooperative

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environment, management can leverage social dynamics to enhance collective productivity and ensure that individual efforts are aligned.

24. (D) Trade unions have completely dissolved and no longer hold any relevance globally.
Although the role and influence of trade unions have evolved significantly in the modern era, they have not disappeared. In many sectors, they continue to play a part in advocating for employee rights and negotiating labor conditions. However, newer generations of workers may be less inclined toward traditional unionization. Management today must use dynamic HR strategies to engage with employees directly while acknowledging these changes.

25. (B) Maintaining departmental contributions at levels appropriate to organizational needs.
Functional objectives of human resource management focus on ensuring that each department contributes effectively to the overall goals of the organization. This involves managing HR activities so they are neither excessive nor insufficient for the specific needs of different business units. By aligning departmental output with organizational requirements, the HR function helps maintain operational efficiency and prevents the wasteful allocation of human resources.

26. (B) Holding a second job or multiple assignments in addition to full-time employment.
Moonlighting refers to the practice of employees working a second job or taking on additional assignments outside their primary full-time employment. This phenomenon became particularly prominent with the rise of remote work models. Organizations often view moonlighting with concern due to potential conflicts of interest, breaches of data confidentiality, and the risk of decreased employee productivity or engagement in their main roles.

27. (A) Strategic Financial Accounting
Human resource management is built upon three core elements: people, management, and behavioural dynamics. People are the individuals who make up the workforce, management involves the principles used to guide them, and behavioural dynamics focus on the interactions and psychological factors within the group. Strategic financial accounting, while important for business operations, is a separate discipline and not a core element of HRM.

28. (D) Almost 40% a year
In recent years, the business process outsourcing and research and development sectors have experienced exceptionally high attrition rates. These rates have reached approximately forty percent annually in some cases. High turnover is often attributed to factors such as long working hours, stressful job environments, and unconventional shift timings. This level of attrition poses significant challenges for HR managers in terms of recruitment and training costs.

29. (C) Directing is an operational function focused entirely on wage and salary administration.
Directing is accurately classified as a managerial function, not an operational one. It involves leadership, motivation, and supervision to guide employees toward organizational goals. Wage and salary administration, on the other hand, falls under the operational function of compensation. Management functions like planning and controlling provide the structural framework, while operational functions like procurement and maintenance handle specific daily human resource tasks.

30. (D) A shift from viewing employees as costs to valuing individuals finding meaning in work.
The transition from personnel management to human resource development marked a significant philosophical change in how organizations treat their workforce. Instead of viewing employees primarily as operational costs to be minimized, modern HRD recognizes individuals as valuable assets with potential for growth. This approach emphasizes personal development, empowerment, and finding purpose in work, which ultimately leads to higher employee engagement and organizational success.

31. (A) Labour Department → Personnel Department → HR Department → Human Capital Management
The evolution of the people management function has followed a clear chronological path. It began

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with the labour department, focusing on welfare and compliance. This evolved into the personnel department, which handled administrative tasks. Later, the HR department emerged, emphasizing strategic employee development. Today, the focus has shifted toward human capital management, viewing employees as essential intellectual assets that drive long-term value.

32. (B) Knowledge era - Structural capital and rigid hierarchies
The knowledge era is defined by the dominance of human capital and intellectual expertise rather than rigid hierarchies and structural capital. Unlike the industrial era, which relied on mechanical processes and strict control, the modern era favors flexibility, innovation, and the application of specialized skills. Success in this period is driven by the ability of organizations to leverage the knowledge of their workforce.

33. (B) Evolving a well-defined Performance Appraisal System based solely on measurable traits and quantitative parameters.
Ethical performance appraisals require objectivity to ensure fairness and reduce personal bias. By developing a system based on measurable traits and quantitative metrics, organizations can provide honest assessments of employee output. This approach minimizes the influence of a superior's subjective likes or dislikes, leading to more accurate evaluations. Clear parameters help employees understand expectations and work toward improving their overall job effectiveness.

34. (C) Both I and II are correct
Confidentiality and privacy are fundamental ethical considerations in human resource management. Employees generally expect their personal beliefs and social backgrounds to remain private matters. However, exceptions can occur when specific information is required under statutory frameworks, such as the Right to Information. Balancing individual privacy rights with legal and organizational requirements is essential for maintaining trust and ensuring ethical conduct within the modern workplace.

35. (A) P-2, Q-1, R-4, S-3
Professional HR roles are varied and specific. The advisory role involves designing structures and SOPs for management. The functional role focuses on communicating policies and mentoring other departments. The service role acts as a provider of essential information to keep the organization updated. Finally, the specialist role requires deep expertise in specific areas like industrial relations or analytics. These roles together ensure comprehensive HR management.

36. (A) I and II only
Current trends in employee development reveal a significant gap for non-regular workers. While a high percentage of these individuals express a strong desire to enhance their knowledge and skills, very few actually receive formal education or training from their employers. This lack of support often leads to lower levels of satisfaction regarding human resource development opportunities among this specific segment of the workforce.

37. (A) India's young median age by 2030 contrasts with the aging workforce in other economies.
India's demographic dividend is a point of significant global interest because the nation is projected to have a very young median age by twenty-thirty. While many developed economies are struggling with the economic implications of an aging population and a shrinking workforce, India will possess a large pool of young, productive individuals. This demographic advantage provides a unique opportunity for economic growth.

38. (A) P-4, Q-1, R-3, S-2
Indian HR practices exhibit specific characteristics across different sectors. Recruitment often relies heavily on formal labor markets and educational institutions. Performance appraisal coverage for formal rewards remains relatively low. Career planning in the public sector is frequently based on a seniority-driven escalator system. Compensation in this same sector emphasizes long-term security and lifetime employment, reflecting traditional values that prioritize stability and employee welfare.

39. (B) Only II is correct
Moonlighting involves taking on extra work beyond one's primary job, and it is not limited to night shifts. The main concerns for employers regarding this practice include potential breaches of data confidentiality and a decline in employee

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engagement or productivity. While some view it as a way for employees to gain diverse experience, many organizations implement strict policies to manage its associated risks.

40. (B) P-4, Q-1, R-3, S-2
Managerial functions provide the strategic framework for HR. Planning involves forecasting needs and researching best practices. Organizing focuses on task allocation and resource integration. Directing centers on leading and supervising personnel. Controlling ensures that activities conform to established plans. Together, these four functions allow management to effectively guide the human element of the organization toward achieving its long-term goals and maintaining operational efficiency.

41. (C) I and III only
Successful HR professionals must possess specific qualities to manage people effectively. These include a high degree of freedom from personal bias and the ability to understand human psychology. Effective communication skills are also essential for resolving conflicts and building trust. However, seeking personal fame or taking credit from subordinates is counterproductive and inconsistent with the collaborative and supportive nature of the role.

42. (C) Communicating workplace values so the company becomes an employer of choice.
Building an employment brand involves a strategic effort to communicate the unique values and culture of an organization to potential and current employees. The goal is to establish the company as a preferred place to work, thereby attracting and retaining top-tier talent. This process requires alignment between internal practices and external marketing to ensure that the workplace experience matches the promised brand image.

43. (B) Maintenance - Sustaining and improving working conditions
Maintenance is a critical operational function of human resource management that focuses on sustaining and improving the overall work environment. This includes ensuring safety, health, and favorable working conditions to keep the workforce motivated and productive. By prioritizing maintenance, an organization can reduce employee turnover and enhance morale, as workers feel valued and protected within their professional surroundings, leading to better long-term performance.

44. (B) P-3, Q-2, R-4, S-1
HR managers in banks perform specialized roles to support the workforce and the institution. The counselor provides personal and career guidance. The mediator acts as a peacemaker during labor disputes. The problem solver focuses on employee engagement and long-term planning. Finally, the change agent introduces and implements organizational development programs. These roles are essential for navigating the complex and evolving challenges of the modern financial sector.

45. (B) II and III only
Professionalism in Indian HR can be influenced by the presence of different firm types, including homegrown and global entities. Regional variations in business culture and industry size also play a significant role in determining the effectiveness of HR efforts. While India has strong HR capabilities, claiming they are superior to all other Asian nations is a broad generalization that may not be universally accurate.

46. (B) To convert knowledge into goods and services required by the customer.
In the modern knowledge era, the primary essence of business is the transformation of intellectual capital and specialized expertise into valuable products and services. Unlike previous eras that relied on physical labor or raw materials, current economic success is driven by innovation and the application of knowledge. Organizations must leverage the skills of their workforce to meet the complex and evolving demands of customers.

47. (A) Only I is correct
The Indian reservation system for government organizations mandates specific percentages for different social groups. Currently, fifteen percent of positions are reserved for Scheduled Castes. However, the reservation for Scheduled Tribes is fixed at seven point five percent, and Other Backward Classes receive twenty-seven percent. These quotas are designed to ensure social justice and equal representation within the public sector workforce across the entire nation.

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48. (A) P-3, Q-4, R-1, S-2
HRM objectives are categorized into four main levels. Societal objectives focus on social responsibility. Organisational objectives view HRM as a tool for overall effectiveness. Functional objectives ensure that departmental contributions are appropriate for the company's needs. Finally, personal objectives assist employees in achieving their individual goals, which in turn enhances their overall contribution to the organization. This tiered approach ensures a balanced and comprehensive management strategy.

49. (A) Mediator - Solving problems related to long-term organizational planning
The role of a mediator in the banking sector is primarily focused on conflict resolution and acting as a peacemaker during disputes. Solving complex problems related to long-term organizational planning is actually the responsibility of the problem solver role. While mediators handle interpersonal and union-related challenges, problem solvers address strategic issues concerning employee engagement and organizational direction to ensure the bank's future success and stability.

50. (B) P-2, Q-4, R-3, S-1
Management concepts offer diverse perspectives on organizational effectiveness. The social systems approach views the firm as a cultural cooperative. Leadership choices involve balancing authority with team freedom. Managerial capability research often focuses on the link between manager expectations and employee strength. Kautilya's Arthashastra provides ancient principles for financial and people management. Together, these concepts illustrate the historical and modern complexities of managing human resources.

51. (A) I and II only
The terminology used to describe the management of people has evolved significantly over time. The traditional personnel department has largely been renamed as the human resource department, and the field is now frequently referred to as human capital management. This shift reflects a more strategic view of employees as valuable intellectual assets. However, traditional administrative activities still remain important sub-modules within the broader HR function.

52. (D) Agrarian era → Industrial era → Knowledge era
Human history has progressed through three primary economic eras based on the dominant source of wealth. It began with the agrarian era, where wealth was derived from land and natural surroundings. This was followed by the industrial era, which was characterized by machinery and manufacturing. We are currently in the knowledge era, where human capital and intellectual expertise have become the most critical drivers of economic value.

53. (B) P-3, Q-4, R-1, S-2
Developmental functions in HRM focus on long-term growth and stability. Retention management ensures key talent remains with the firm. Change management handles transitions like mergers. Employee engagement aims for high morale and involvement. Talent management involves the structured hiring and development of necessary skills. These functions are essential for maintaining a competitive workforce and ensuring the organization can adapt to future challenges and opportunities.

54. (C) Both I and II are correct
Valuing human capital requires a recognition that expertise is built through constant practice and learning. This intellectual capital serves as the foundation for creating other forms of organizational value. To effectively measure these contributions, a dynamic management information system can be used to capture data and convert it into quantifiable outputs. This approach allows organizations to better understand and manage the impact of their people.

55. (A) Likert - University of Michigan behavioral studies
Rensis Likert is well-known for his work with the University of Michigan, where he conducted influential behavioral studies on management styles. His research identified different systems of management, ranging from exploitative to participative. Other researchers like Herzberg developed the motivation-hygiene theory, while McClelland focused on achievement motivation. These various theories have significantly contributed to our understanding of human

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behavior and motivation within modern organizational settings.

56. (A) Outlining management's vision and ensuring consistent treatment by minimizing favoritism.
An effective employee policy serves as a vital tool for communicating management's vision and expectations to the entire workforce. Its primary objective is to ensure that all employees are treated consistently and fairly, which helps to minimize favoritism and bias. By providing clear guidelines on various aspects of employment, such policies build trust and provide a stable framework for decision-making and professional conduct.

57. (A) I and II only
The social systems approach to management emphasizes that organizations are cultural entities built on human relationships. Cooperation among members is seen as essential for achieving common goals. This perspective suggests that effective management requires balancing individual needs with organizational objectives. While organizational goals are important, they do not necessarily have absolute dominance over the goals of the group, as harmony and cooperation are prioritized.

58. (A) P-4, Q-2, R-3, S-1
Operational HRM functions cover the daily management of the workforce. Procurement involves planning, recruitment, and induction. Development focuses on training and career skill enhancement. Compensation deals with determining wages and salaries. Maintenance ensures that working conditions and employee motivation are sustained and improved. These four functions are the building blocks of an effective HR department, ensuring that people are hired, trained, paid, and supported.

59. (B) Only II is correct
The Hawthorne studies, conducted by Elton Mayo and his team, were groundbreaking in the field of management. They revealed that employee productivity is significantly influenced by social and emotional factors rather than just physical conditions or financial incentives. Relationships with supervisors and peers were found to be critical drivers of performance. This research shifted the focus of management toward a more humanistic and psychological approach.

60. (A) P-4, Q-3, R-2, S-1
Ethical issues in human resources cover a wide range of concerns. Incentive plans can lead to favoritism toward top management. Diversity issues require equal treatment for all demographic groups. Recruitment and promotion may involve pressures to hire relatives or handle fake credentials. Finally, confidentiality and privacy involve protecting personal beliefs from unwarranted organizational actions. Addressing these issues is essential for maintaining a fair and ethical workplace.

61. (B) II, III, IV, and V
HRM functions are clearly divided between managerial and operational tasks. Managerial functions include organizing, which involves task allocation, and controlling, which ensures conformity to plans. Operational functions include staffing to find the best fit and compensation for wage determination. However, planning is a managerial function, not an operational one focused on wages. Understanding these distinctions is crucial for the effective and strategic management of human capital.

62. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Performance appraisals become an ethical concern when they are based on subjective factors like a superior's personal bias. This is because such evaluations lack fairness and accuracy. To ensure high ethical standards, reviews must be based on measurable traits and objective parameters. This approach provides an honest assessment that helps improve work effectiveness, directly addressing the potential for bias mentioned in the assertion.

63. (A) I, II, and III
Economic history is marked by a shift in the primary source of wealth from land in the agrarian era to machinery in the industrial era, and finally to human capital in the knowledge era. However, human capital is fundamentally different from land because its ownership cannot be permanently transferred. People retain control

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over their own skills and knowledge, making human resources a dynamic and unique asset.

64. (C) The balance between managerial authority and team freedom.
Effective leadership in a modern organizational context requires a flexible approach that balances managerial authority with team freedom. This concept suggests that there is a range of styles a manager can choose from, depending on the situation and the needs of the workforce. By allowing for greater autonomy while providing necessary guidance, leaders can foster a more engaged and productive environment for their teams.

65. (D) Assertion (A) is false, but Reason (R) is true.
It is incorrect to claim that human resource policies should remain static; they must evolve to meet changing environmental demands. The external environment is constantly shifting due to political, economic, and technological factors, making adaptability essential for organizational success. While the reason correctly identifies the dynamic nature of the environment, the assertion's call for immune and static policies contradicts the need for strategic flexibility in HRM.

66. (A) The fear of losing outstanding executives if higher incentives are not paid.
In highly competitive global markets, organizations often face pressure to provide lucrative incentive plans for top-level management. A common rationale for this practice is the fear of losing exceptionally talented executives to rival firms. While this can raise ethical questions regarding compensation equity across the workforce, it reflects the intense demand for high-level leadership and the perceived link between executive performance and organizational success.

67. (C) I, II, and IV
Liberalisation and global linkages have significantly transformed human resource practices in India. Multinational corporations have introduced a strong emphasis on individual competence and merit-based progression. This shift has also made employee engagement a standard part of good HR practice. While traditional roles have evolved, it is incorrect to say that industrial relations departments remained completely unchanged, as they had to adapt to new professional standards.

68. (D) Assertion (A) is false, but Reason (R) is true.
The Hawthorne studies actually disproved the idea that financial incentives and mechanistic approaches are the sole drivers of productivity, highlighting instead the importance of social factors. Traditional labour departments often did rely on rule-based and legalistic methods for managing employees. While the reason accurately describes historical practices, the assertion is false because it misrepresents the findings of Mayo's landmark psychological and behavioral research.

69. (A) Job security is no longer the primary issue for job aspirants in highly professionalized markets.
In contemporary professional markets, especially among the younger workforce, the traditional emphasis on lifetime job security has diminished. Many talented individuals prioritize challenging assignments and career growth over terminal benefits and long-term stability. This shift has redefined organizational loyalty, as employees are more willing to switch jobs to find roles that offer better professional development and personal fulfillment in a dynamic economy.

70. (A) I, III, and IV
Key HR practices in Indian organizations often feature formally defined work roles and a strong emphasis on security in the public sector. Additionally, performance appraisal coverage for formal rewards remains relatively low in many areas. While recruitment typically relies on formal institutions, the idea that organizations reject higher learning is incorrect. Similarly, cross-functional career movement is often quite limited rather than being a widespread feature.

71. (A) Getting the top management convinced about the strategy and setting clear employment brand objectives.
Before launching any external marketing for an employment brand, it is essential to secure the commitment of top management. This first step ensures that the strategy has the necessary support and alignment with overall organizational goals. By setting clear objectives, the HR department can create a consistent and credible brand image

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that truly reflects the workplace culture and values to potential candidates.

72. (A) I, II, and III
Ethical dilemmas in HR cover several areas, including compensation, perquisites, and recruitment. These issues arise when base salaries are higher than competitive norms, when executive perks are excessive, or when favoritism influences promotions despite poor performance. Addressing these challenges is vital for maintaining organizational integrity. However, claiming that diversity issues are eliminated is incorrect, as they remain a significant and ongoing concern for modern managers.

73. (D) Assertion (A) is false, but Reason (R) is true.
Modern organizational theory does not advocate for zero staff turnover; in fact, a reasonable level of attrition is considered beneficial. It allows for the inflow of new talents and fresh ideas, which help keep the organization vibrant and adaptable. While the reason correctly identifies the value of fresh perspectives, the assertion is false because complete lack of turnover can lead to stagnation.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Human capital is often undermanaged because many organizations prioritize output from processes over the intellectual capital that drives that contribution. This focus on tangible results can lead to a neglect of the individuals who innovate and improve those very processes. By recognizing and rewarding intellectual capital, companies can better manage their human resources and achieve more sustainable long-term effectiveness and growth.

75. (D) Perquisites
Perquisites, or perks, refer to the additional benefits provided to employees, particularly at the executive level, beyond their regular salary. When these perks, such as luxurious renovations for a CEO's residence, appear out of proportion to the value added by the individual, they can present a significant ethical dilemma. Managing these benefits transparently is essential for maintaining fairness and organizational integrity among all employees.

76. (B) I, II, and IV
HRM objectives include being socially responsible, contributing to organizational effectiveness, and helping employees reach their personal goals to enhance their performance. These objectives ensure that the HR function serves both the individual and the broader institution. However, the claim that functional objectives focus on personal leisure regardless of company needs is incorrect, as functional goals are designed to align departmental contributions with organizational requirements.

77. (D) Moonlighting
Moonlighting occurs when employees hold a second job or take on multiple assignments while being employed full-time. This practice became a major concern in the IT sector during the shift to remote work. It raises ethical and operational issues, such as potential breaches of data confidentiality and decreased productivity in the primary role. Organizations often implement specific policies to prevent such unauthorized dual employment.

78. (A) I, II, IV, and V
Global outsourcing is driven by lower wage rates in developing markets and the decentralization of information processing via high-speed communication. Common examples include medical record scanning and legal transcription. While these tasks are efficient, they typically involve following specific instructions rather than autonomous decision-making. Despite this, the economic advantage of hiring recent university graduates in these markets remains a primary motivation for Western firms.

79. (D) Assertion (A) is false, but Reason (R) is true.
It is incorrect to claim that an employee's right to privacy in India has no exceptions, as there are specific legal frameworks that permit access to information. For instance, statutory provisions like the Right to Information can mandate certain disclosures. While the reason correctly identifies these legal exceptions, the assertion is false because it misrepresents the absolute nature of privacy rights in the workplace.

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80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Moonlighting became a significant concern during the transition to work-from-home models, particularly in the information technology sector. This phenomenon involves employees taking on multiple jobs simultaneously, which can lead to data confidentiality breaches and reduced engagement. The reason accurately explains why this practice has become a major topic of discussion for HR managers who are focused on maintaining productivity and security.

81. (C) Measurable traits and quantitative parameters.
To ensure fairness and eliminate ethical issues in performance reviews, evaluations should be based on objective criteria. This includes using measurable traits and quantitative parameters that reflect an employee's actual output and behavior. By moving away from subjective judgments based on personal likes or dislikes, organizations can provide more honest and effective assessments, which helps in fostering a culture of meritocracy and trust.

82. (B) I, II, III, and V
The history of Indian banking HRM is marked by several key events, including the nationalisation of banks in nineteen-sixty-nine and the introduction of modern practices through liberalisation in the nineties. Linking wages to the price index was another significant development. While the system has evolved to include more private and foreign banks, committee reports generally do not suggest banning these entities or reversing liberalisation.

83. (D) Assertion (A) is false, but Reason (R) is true.
Current trends show that contemporary Indian multinationals are shifting their focus toward professionalized human resource practices based on knowledge and experience. While personal charisma can be a factor in leadership, claiming that managers are heavily dependent on it rather than logical processes is generally considered false in a modern, professionalized context. The reason correctly identifies the strategic move toward valuing human capital in globalized companies.

84. (C) Human Resource Accounting
Human Resource Accounting is a method used to quantify the value of an organization's people. It involves recording the potential value of employees and calculating the replacement costs associated with talent leaving the firm. By treating human capital as a measurable asset, organizations can make more informed decisions about recruitment, training, and retention. This approach helps management understand the financial impact of their HR policies.

85. (D) Assertion (A) is false, but Reason (R) is true.
It is false to say that the BPO and research and development sectors have low attrition rates; they actually face significant turnover challenges. The reason correctly identifies that factors like long hours and inconvenient timings have impacted the popularity of these roles among professionals. While the reason explains the causes of high turnover, the assertion's claim of low attrition is factually incorrect within these industries.

86. (A) I, II, and III
Building a company brand requires a multi-faceted approach, including getting top management support and using various media for promotion. Branded service conditions can also help reinforce a desired image. While salary is an important factor, it is certainly not the only measure of a good workplace. Employees also look for recognition, flexibility, and a positive work-life balance when choosing an employer in today's market.

87. (B) Attrition/Turnover Management
Attrition management is a specific developmental function that focuses on understanding why employees leave an organization and finding ways to minimize the impact of these separations. By analyzing turnover trends, HR managers can develop strategies to improve retention and maintain business continuity. This is particularly important in high-attrition sectors where the cost of recruiting and training new talent is substantial and frequent.

88. (B) I, II, III, and V
HR managers in the banking sector take on various roles such as counselor, mediator, and change agent to enhance organizational effectiveness. These roles involve personal

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guidance, conflict resolution, and the implementation of development programs. While individual management is important, human resource management is also deeply concerned with group dynamics. Therefore, the claim that it ignores group levels is incorrect, as both are essential for success.

89. (B) HR Officers
As public sector banks modernize, the traditional role of personnel management is evolving into the broader field of human resource management. Consequently, individuals previously known as personnel officers are increasingly adopting the title of HR officers. This shift signifies a move away from purely administrative and wage-related tasks toward a more strategic focus on employee development, engagement, and organizational growth in a competitive banking environment.

90. (D) Assertion (A) is false, but Reason (R) is true.
Human Resource Accounting cannot provide one hundred percent confidence in its measurements because humans are living organisms with unpredictable reactions. While HRA attempts to quantify human value, the complexity of individual behavior makes perfect predictability impossible. The reason correctly highlights this biological and psychological reality. Therefore, while the reason is true, the assertion's claim of absolute certainty in manpower cost evaluation is false.

91. (B) Knowledge era
The knowledge era is defined by the recognition that an organization's primary wealth is derived from the intellectual capital, skills, and expertise of its workforce. This period marks a shift from the agrarian and industrial eras, where land and machinery were the main drivers of productivity. In this modern context, human capital is the most critical asset for achieving innovation and maintaining long-term competitive advantage.

92. (C) Organizing
Organizing is a core managerial function that involves identifying relationships, allocating tasks, and integrating resources to achieve common goals. By structuring the workforce and defining roles, an HR manager ensures that activities are coordinated effectively. This functional framework provides the necessary order for the organization to operate smoothly and move toward its strategic objectives while optimizing the use of its available human talent.

93. (D) Rigid, inflexible timings
When evaluating a workplace, modern employees look for factors such as recognition, freedom of work, and a healthy work-life balance. These attributes help build a strong employer brand and attract top talent. On the other hand, rigid and inflexible timings are generally seen as negative characteristics that can decrease employee satisfaction and motivation. Therefore, such inflexibility is not listed as a desirable feature of a good workplace.

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94. (C) A living organism whose compatibility and response are not standard or uniform.
Human resources are fundamentally different from physical assets because they are living organisms with unique psychological and behavioral characteristics. Unlike raw materials or machinery, the response and compatibility of individuals are not uniform or standard. This inherent complexity requires management to adopt flexible and humanistic approaches rather than purely mechanistic ones. Recognizing this difference is essential for effective leadership and the successful management of people.

95. (A) Advisory Role
In the advisory role, the HR department provides expert guidance to top management on a wide range of people-related issues. This includes designing guidelines for social responsibility, compensation structures, and retirement policies. By acting as an internal consultant, HR helps the organization implement consistent and effective practices that align with both legal requirements and strategic goals, ensuring the overall well-being and productivity of the workforce.

96. (B) Word it to build the company brand in terms of credibility and welfare.
To support an effective employer branding strategy, job advertisements should be worded to emphasize the organization's credibility and commitment to employee welfare. This approach helps establish the company as an employer of choice and attracts high-quality candidates who align with its values. By focusing on the

positive aspects of the workplace culture, the HR department can build a strong and attractive brand in the competitive labor market.

97. (A) Human capital is the main base of competition, indicated by education effectiveness.
In the modern era, human capital has emerged as the primary basis for long-term competition among organizations. This is often indicated by the effectiveness of education and the continuous development of employee skills. Unlike physical resources, intellectual capital can drive innovation and adaptability, providing a sustainable advantage. Companies that invest in the growth and expertise of their workforce are better positioned to succeed in a complex global economy.

98. (B) Controlling
Controlling is a vital managerial function that involves checking and verifying whether employee activities conform to established plans. It allows HR managers to identify any deviations and take necessary corrective measures to ensure organizational efficiency. By regularly monitoring performance and processes, the organization can maintain high standards and achieve its strategic goals effectively, ensuring that all human resource efforts are aligned with the intended outcomes.

99. (D) Development
Development is an operational function of human resource management that centers on enhancing the skills and capabilities of the workforce. It includes activities such as formal training, mentoring programs, and career planning. By investing in the professional growth of its employees, an organization ensures that it has the necessary talent to meet current and future challenges. This focus on continuous learning helps maintain a highly skilled and competitive workforce.

100. (D) Change Agent
As a change agent, the HR professional plays a crucial role in introducing and implementing organizational development programs. This involve restructuring the firm and integrating new technologies to improve overall effectiveness. By facilitating these transitions, the HR manager helps the organization adapt to environmental shifts and maintain its competitive edge. This role requires a strategic vision and the ability to lead the workforce through complex periods of institutional transformation.

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CHAPTER 02
Organisational Behaviour

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Oct/Nov 2018

1. Match the types of organisational charts in List-I with their corresponding descriptions in List-II.

List I: (Chart Type)

P. Master Chart
Q. Supplementary Chart
R. Formal Organisation Chart
S. Informal Network

List II: (Description)

1. Shows details of relationships, authority, and job-roles within a prescribed area or department
2. Consists of transitory, flexible, and dynamic relationships not depicted on official charts
3. Shows the entire formal organisation structure
4. Depicts the formal chain of command and authority levels assigned to individuals

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-4, R-1, S-2

May/June 2005

2. Consider the following statements regarding types of groups:

I. Command groups are specified by the organisational chart and consist of a supervisor and reporting subordinates.
II. Task groups are permanent work groups established to solve undefined, continuous organisational problems.
III. Functional groups are created to accomplish specific goals within an unspecified time frame.
IV. Friendship groups are formed by members who enjoy similar social activities or common bonds.

Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

Oct/Nov 2024

3. Consider the following statements regarding the Matrix Structure:

I. It combines a project design with a functional structure and ensures optimal use of personnel once a project is completed.
II. It avoids dual lines of command, thereby accelerating the decision-making process without causing conflicts.

Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2021

4. Regarding the implementation of Web Networks and online discussion groups, which of the following conceptual observations is highlighted?

(A) They serve as a perfect substitute for face-to-face discussion as anonymity breeds high levels of responsibility.
(B) The effectiveness of communication heavily depends on the specific body language present during virtual chats.
(C) Digital communication lacks nuance, with effectiveness determined by the recipient's personal expectations.
(D) Social networks in organisations operate best without any specific ethical rules framed by the management team.

Oct/Nov 2006

5. Consider the following statements regarding the learning forum and environment:

I. An open corporate culture is the first step toward successful knowledge sharing in a group.
II. Thoughtful leaders encourage a classroom experience that restricts multidimensional learning to avoid confusion among multicultural groups.
III. Interactive classes allow students to glean

information from each other and the group leader.

Which of the above statement(s) is/are correct?

(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2013

6. Match the dimensions distinguishing a Leader and a Manager in List-I with their corresponding descriptions in List-II.

List I: (Dimension)

P. Source of Motivation (Leader)
Q. Risk (Manager)
R. Nature (Leader)
S. Nature (Manager)

List II: (Description)

1. Controls risk
2. Tolerates chaos and lack of structure
3. Goals arise from self-motivation
4. Embraces process, seeks stability and control

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-2, R-1, S-4

Oct/Nov 2015

7. Which of the following best defines an organisation in the context of humanistic approaches to management?

(A) A formal hierarchical framework by which job tasks are divided and grouped to streamline organizational efficiency and resource allocation
(B) A structured group of individuals coordinated through specialization and authority to achieve specific goals
(C) A system designed exclusively to systematically and analytically bring about uniformity in work processes and organizational operations
(D) An independent small business structure that rapidly responds to customers' needs and evolving shifts in the global business environment

May/June 2025

8. In the classic theory of group development, which of the following three elements are considered the basis for group formation?

(A) Needs, desires, and outcomes
(B) Activities, interactions, and sentiments
(C) Trust, felt obligation, and social validation
(D) Task, relationships, and environment

Oct/Nov 2022

9. Identify the incorrect pair regarding group roles and conflict.

(A) Work roles - Task-oriented activities that involve accomplishing the group's established performance goals.
(B) Inter role conflict - Conflict between different sources for the same role.
(C) The initiator - A specific work role that defines problems, proposes action, and suggests group procedures.
(D) Role conflict - Inconsistency occurring between the perceived organizational role and actual role behaviour.

May/June 2010

10. An extremely aggressive new recruit is placed in the operations department and becomes frustrated, while an introverted recruit struggles daily to meet sales targets in the marketing department. This situation primarily indicates a failure in which of the following areas?

(A) Delegation of appropriate authority
(B) Formulation of an informal organisation
(C) The Person-Job Fit
(D) Implementation of an organic structure

Oct/Nov 2012

11. An organization exposes potential general managers to at least three distinct functions before they are finally promoted. This practice primarily illustrates which principle of leadership?

(A) Leadership is purely an innate personal quality found in high-performing individuals.
(B) Leadership relies solely on emotional intelligence and high levels of personal empathy.
(C) Leadership is quantified by productivity metrics and daily employee attendance records.
(D) Leadership develops through lateral career moves and broad job assignments.

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May/June 2018

12. Which of the following statements correctly identifies the features of Organic and Mechanistic structures?
(A) Organic structures utilize tall hierarchies for command, while mechanistic structures encourage a fully decentralised approach.
(B) Organic structures are based on theories of bureaucracy, while mechanistic structures create independent small-scale enterprises.
(C) Organic structures involve employees in decision making, while mechanistic structures feature rigid rules and centralized power.
(D) Organic structures have largely lost their essence recently, while mechanistic structures respond rapidly to market changes.

Oct/Nov 2009

13. A newly formed committee is experiencing significant internal conflict. Members are openly challenging the committee's goals, and several individuals are vying for the leadership position, leading to voiced concerns and criticism. This committee is currently in which stage of development?
(A) Storming
(B) Norming
(C) Forming
(D) Performing

May/June 2023

14. Which of the following definitions best describes the concept of 'synergy' in group dynamics?
(A) The attitudinal and behavioural characteristics of a group forming its structure
(B) The recognition of individual differences and shared expectations within a team
(C) The creation of a whole that is greater than the sum of its parts
(D) The tendency of people to not work as hard in groups as they would individually

Oct/Nov 2014

15. Which of the following best defines 'Leadership' in common parlance?
(A) The formal hierarchical framework by which job tasks are divided, grouped, and coordinated.
(B) The process of redesigning the way work is done to better support the organisation's goals.
(C) The capacity a group has to accomplish the goals administered by an authorized personnel.
(D) The ability to influence individuals or groups toward the achievement of a goal.

May/June 2007

16. Which of the following statements correctly highlights a conceptual difference between formal and informal organisations?
(A) Formal organisations set structural authority, while informal ones arise from spontaneous social relationships.
(B) Formal organisations utilize internal pressure groups, whereas informal ones establish rigid policies for regulatory compliance.
(C) Formal organisations provide long-term stability, whereas informal ones follow strictly hierarchical and centralized command.
(D) Formal organisations are formed under informal units to provide managerial support and establish fixed communication channels.

Oct/Nov 2025

17. A team at a bank has been working together for years, faces intense competition from rival banks, and membership in this team is highly difficult to obtain. These factors are most likely to increase the group's:
(A) Cohesiveness
(B) Social loafing
(C) Inter role conflict
(D) Segmentalism

May/June 2012

18. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): It was once believed that providing better conditions for workers, treated as "vital machines," would result in higher productivity.
Reason (R): Historically, two streams of thought developed regarding the systematic organization of work processes and understanding an individual's relation to work.

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(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

19. An employee frequently compares their own actions, attitudes, and values with those of a highly successful peer network within the bank to assess whether their behavior is acceptable. This peer network functions for the employee as a:
(A) Command group
(B) Task group
(C) Functional group
(D) Reference group

May/June 2009

20. Arrange the stages of group development in the correct chronological order:
1. Adjourning
2. Storming
3. Performing
4. Forming
5. Norming

(A) 4, 5, 2, 3, 1
(B) 4, 2, 5, 3, 1
(C) 4, 2, 3, 5, 1
(D) 2, 4, 5, 3, 1

Oct/Nov 2011

21. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): A manager often becomes a party to organisational resistance and feels comfortable with the "status quo".
Reason (R): A leader, acting as a potential change agent, constantly questions the "status quo" in a positive endeavor to be more creative and innovative.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

22. A large corporate umbrella comprises self-contained strategic business units that produce single distinct products. The controlling authority focuses on results and coordinates activities between these units, but there is an inherent tendency to duplicate activities among the units. Which structural form is this company utilising?
(A) Functional Structure
(B) Divisional Structure
(C) Matrix Structure
(D) Organic Structure

Oct/Nov 2021

23. Identify the correct pair regarding the common job simulations used in assessment centres.
(A) Group discussions - Exercises used for individual written communication skills.
(B) Reality tester - A specific approach emphasizing a highly decentralised management.
(C) Oral presentation - Simulated interviews conducted exclusively with executive supervisors.
(D) In-basket exercises - Fact-finding and analysis.

May/June 2014

24. Which of the following is NOT an accurate statement regarding Group Norms?
(A) They are acceptable standards of behavior shared by the members of the group.
(B) The majority of the group must agree that the norms are appropriate for the behavior to be accepted.
(C) Group members who do not conform to the norms will be punished by being excluded, ignored, or asked to leave.
(D) Performance norms always strictly align with the formal organisation's goals and expectations.

Oct/Nov 2007

25. Match the group development stages in List-I with their core characteristics in List-II.
List I: (Stage)
P. Forming

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Q. Storming
R. Norming
S. Performing

List II: (Characteristic)

1. Recognition of individual differences, cooperative efforts, and shared expectations
2. Maturation, cohesiveness, and rational decision-making focused on relevant goals
3. Confusion, uncertainty, and orientation regarding the group's purpose
4. Highest level of disagreement, power struggle, and challenging of group goals

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-4, R-3, S-2

May/June 2019

26. Which of the following is NOT considered a disadvantage of a Matrix Organization?

(A) Each project unit operates independently.
(B) People do not feel that they have any control when continuously reporting to multiple managers.
(C) Functional managers may be biased according to their own set of priorities.
(D) A strong technical base is developed and more time is devoted to complex problem-solving.

Oct/Nov 2005

27. Consider the following characteristics related to group effectiveness:

I. Productivity
II. Satisfaction and attitudes
III. Attendance
IV. Retention
V. Physical and mental well-being

Which of the above represent the measures of effectiveness depending on a group's activities?

(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2024

28. Which of the following statements regarding Assessment/Development Centres is incorrect?

(A) They utilize single observers to evaluate participant behaviour across all simulations to ensure uniform bias.
(B) They are contemporary learning forums used primarily for employees required to handle higher echelons in the organisation.
(C) They consist of batteries of simulations of work challenges that participants are likely to face in future roles.
(D) They generate a written report detailing participants' strengths, development needs, and overall potential.

Oct/Nov 2016

29. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): As the size of a group increases beyond 10 or 12 members, member satisfaction generally decreases.

Reason (R): Average productivity may drop as more people join a task due to social loafing.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

30. Which of the following statements correctly differentiates a Group from a Team?

(A) A group has an interdependent dependency, whereas a team operates independently.
(B) A group's focus is on achieving collective goals, whereas a team's focus is on achieving individual goals.
(C) A group is formal in nature, whereas a team may or may not be formal in nature.
(D) A group may or may not share a common goal, whereas a team always shares a common goal.

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Oct/Nov 2010

31. Match the leadership styles from the Managerial Grid in List-I with their corresponding coordinate points in List-II.

List I: (Style)

P. Country Club
Q. Team Builder
R. Autocratic / Task-oriented
S. Impoverished

List II: (Coordinates)
1. (9,1)
2. (1,1)
3. (1,9)
4. (9,9)

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2011

32. Based on research regarding organizational improvement tools, which of the following were found to be used most frequently by organisations?
(A) SWOT analysis and Informal Benchmarking
(B) Mission and Vision Statements and Customer Surveys
(C) Performance Benchmarking and Best Practice Benchmarking
(D) Matrix Structure and Organic Structure designs

Oct/Nov 2023

33. Which is the most appropriate approach for effective leaders to take regarding leadership styles?
(A) Adhere to one dominant style that matches their inherent personality and traits.
(B) Switch flexibly among styles as needed for the situation.
(C) Utilize solely the Coercive and Pacesetting styles to drive immediate result compliance.
(D) Depend primarily on the Democratic style to ensure complete consensus on every decision.

May/June 2008

34. State Bank of India's initiative "Bankchain," in partnership with commercial banks and tech companies, uses blockchain technology primarily to:
(A) Outsourcing all core banking systems to a third party to reduce operational overhead.
(B) Issuing new physical currency notes to replace damaged bills in the current circulation.
(C) Eliminating the need for employee performance benchmarking within the regional network.
(D) Sharing information among banks to prevent frauds and tackle bad loans in trade finance.

Oct/Nov 2008

35. Consider the following skills:
I. Anticipate
II. Interpret
III. Align
Which of the above represent the skills identified for Strategic Leadership to navigate the unknown effectively?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2022

36. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): TQM as a technological change will not be successful unless the cultural and political dimensions of the organisation are attended to as well.
Reason (R): TQM is seen primarily as a Large Scale Systems Change that alters an organisation's norms, values, and decision-making processes.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

37. Match the Leadership Styles in List-I with their underlying emotional intelligence competencies in List-II.
List I: (Style)
P. Coercive
Q. Authoritative
R. Affiliative
S. Coaching
List II: (Competency)
1. Self-confidence, empathy, change catalyst
2. Developing others, empathy, self-awareness
3. Empathy, building relationships, communication

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4. Drive to achieve, initiative, self-control

(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-3, R-1, S-2

May/June 2015

38. Consider the following qualities:

I. Fosters an ethical work environment with clear values.
II. Empowers followers to do what is best for the organisation.
III. Focuses on turning followers into future leaders.
IV. Operates primarily through zero-based budgeting.

Which of the above represent the qualities of a Transformational Leader?

(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

Oct/Nov 2017

39. When initiating a benchmarking study, a few employees feel threatened and fear that the study of better practices may expose their own shortcomings. To address these people issues effectively, what is the most appropriate action for the management?

(A) Enforce strict coercive leadership to ensure immediate compliance without any discussion.
(B) Immediately terminate the benchmarking process to avoid losing current staff morale.
(C) Implement a transactional punishment system for those expressing fear of new changes.
(D) Communicating that new practices improve competencies and add to overall efficiency.

May/June 2016

40. The contemporary leadership concept comparing a great leader to a shepherd who "stays behind the flock, letting the nimblest go out ahead" was famously advocated by which figure?

(A) Nelson Mandela
(B) Mahatma Gandhi
(C) George Washington
(D) Douglas Mac Arthur

Oct/Nov 2020

41. Which of the following is NOT a typical source of resistance to TQM implementation?

(A) Segmentalism, where each unit sees itself as separate and unique
(B) The elimination of inter role conflict and promotion of social validation
(C) The "not invented here" syndrome
(D) Management's fear of losing fundamental decision-making authority due to employee empowerment

May/June 2006

42. Consider the following statements regarding Situational Leadership Theory:

I. Employees with low willingness and low ability require the Delegating Style of leadership.
II. Employees with high willingness but low ability are best managed using the Selling Style, as they are self-motivated but lack required ability.

Which of the above statement(s) is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2018

43. Benchmarking is best defined as:

(A) The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements
(B) The process of comparing business processes and performance metrics to an industry leader or best practice
(C) A fact-based data driven structured methodology used to create breakthrough improvements with 3.4 defects per million
(D) An informal group formed by members who enjoy similar social activities

May/June 2005

44. Transformational leadership is best defined as a style in which leaders:

(A) Relying heavily on motivating employees strictly through rewards and punishments.
(B) Adjusting relative emphasis on task and relationship behaviors based on readiness.
(C) Focusing exclusively on production output without concern for human relationships.
(D) Inspiring employees to innovate and create

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change without micro-managing.

Oct/Nov 2024

45. Match the principles (Pillars) of Total Quality Management in List-I with their context in List-II.

List I: (Pillar)

P. Unwavering focus
Q. Treating suppliers
R. Involvement of employees
S. Benchmarking

List II: (Context)

1. As their business colleagues
2. In decision-making
3. Comparing with industry best practices
4. On the customer, both internally and externally

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-2, S-4

May/June 2021

46. Joan, a general manager, is appointed during a deep crisis. Initially, she listens to key people and explores their dreams, then points out when actions undermine goals privately, encourages free expression in a meeting, and finally assigns accountability and enforces discipline strictly.

This case best illustrates:

(A) The Managerial Grid's middle path leadership style
(B) Fluid leadership seamlessly switching styles as needed
(C) The exclusive reliance on transactional leadership
(D) Leading strictly from the back to enable team innovation

Oct/Nov 2006

47. Consider the following statements regarding the differences between new private/foreign banks and old private/public sector banks in IT usage:

I. New private and foreign banks focus their IT spends on innovations rather than daily operations.
II. Old private and public sector banks focus more on application development augmenting existing systems.
III. New private and foreign banks focus more on value-adding activities like ATM networks and CRM tools.
IV. Old private and public sector banks demonstrate superior IT talent management linked highly to individual performance.
V. New private and foreign banks prove superior in managing both application and infrastructure complexity.

Which of the above statement(s) is/are correct?

(A) I, II, III, and V
(B) II, III, IV, and V
(C) I, III, IV, and V
(D) I, II, IV, and V

May/June 2013

48. A leader in an organisation demonstrates less concern for people and more concern for production, acting strictly as an autocratic leader. According to the Managerial Grid, this style is denoted as:

(A) (1,9)
(B) (9,1)
(C) (9,9)
(D) (5,5)

Oct/Nov 2015

49. Arrange the first three steps of the typical benchmarking methodology in chronological order:

1. Identify other industries that have similar processes and shortlist organisations that are leaders in these areas.
2. Identify the problem areas by determining own organisation's functions and base lining performance.
3. Visit the "best practice" companies to mutually exchange beneficial information.

(A) 1, 2, 3
(B) 2, 3, 1
(C) 3, 1, 2
(D) 2, 1, 3

May/June 2025

50. A leader continually listens to subordinates' feedback, challenges their normal beliefs, and encourages them to be innovative and creative in solving problems. This action best exemplifies which factor of transformational leadership?

(A) Idealized influence
(B) Inspirational motivation
(C) Intellectual stimulation
(D) Individualized consideration

NODIA

Oct/Nov 2022

51. When implementing TQM in a human services environment, line workers might perceive management as only concerned about the product and budget, rather than staff needs or actual client service quality. To make TQM work effectively, management must:
(A) Bypassing the workers and implementing changes unilaterally to ensure rapid progress.
(B) Focus TQM exclusively on cost-cutting measures without explaining any specific benefits.
(C) Implement strict transactional punishments for any form of resistance to the new plan.
(D) Showing how TQM eliminates waste and frees resources for core client services.

May/June 2010

52. A bank branch manager has a team of employees who possess the required skills to process complex loan applications but lack the interest and motivation to do so. According to the Situational Leadership Theory, which leadership style should the manager adopt?
(A) Telling Style
(B) Selling Style
(C) Delegating Style
(D) Participating Style

Oct/Nov 2012

53. Which of the following is NOT an attribute of 'Leading from behind'?
(A) Building a strong team united by shared organizational values and goals.
(B) Enabling team members to emerge as innovators and skilled leaders themselves.
(C) The top leader implementing all of the best ideas.
(D) Stepping forward in key moments, such as when the team is veering off-track.

May/June 2018

54. Which of the following statements correctly highlights findings regarding IT effectiveness in top Indian banks?
(A) Use of legacy systems extensively across departments to achieve superior business performance.
(B) IT effectiveness driven primarily by high-cost technology and a total lack of CEO involvement.
(C) World-class IT driven by cost advantage, avoiding legacy systems, and superior governance.
(D) Product and channel distribution capabilities far below those of leading banks in the world.

Oct/Nov 2009

55. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): Transactional leadership is best suited to departments or organisations that require routine and structured areas where businesses want to reduce chaos or inefficiency.
Reason (R): Transactional leadership covers a wide range of aspects and uses the "four I's" to transform associates into more productive individuals.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2023

56. Identify the correct pair regarding the Situational Leadership Theory.
(A) Selling Style - High task guidance, supportive behaviour
(B) Telling Style - High task guidance, high relationship style
(C) Participating Style - Low task guidance, low relationship style
(D) Delegating Style - High task guidance, low relationship style

Oct/Nov 2014

57. Consider the following statements regarding specific technology and automation initiatives in the banking sector:
I. The introduction of business packs for MSME customers allows for availing overdraft or demand loans.
II. Banks are replacing all rural business correspondents with fully automated central offices.

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Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2007

58. The contemporary leadership concept comparing a great leader to a shepherd who "stays behind the flock, letting the nimblest go out ahead" was famously advocated by which figure?
(A) Nelson Mandela
(B) Mahatma Gandhi
(C) George Washington
(D) Douglas Mac Arthur

Oct/Nov 2025

59. Match the types of benchmarking in List-I with their corresponding focus in List-II.
List I: (Type)
P. Process benchmarking
Q. Performance benchmarking
R. Functional benchmarking
S. Operational benchmarking
List II: (Focus)
1. Focuses on a single function to improve its operation
2. Assesses competitive position by comparing products and services
3. Embraces everything from staffing and productivity to office flow
4. Focuses observation and investigation of business processes to identify best practices
(A) P-4, Q-2, R-1, S-3
(B) P-2, Q-4, R-3, S-1
(C) P-4, Q-1, R-2, S-3
(D) P-1, Q-3, R-4, S-2

May/June 2012

60. Consider the following statements regarding the differences between Transactional and Transformational Leadership:
I. Transactional leadership requires supervision, oversight, and performance-monitoring to create efficient, routine procedures.
II. Transformational leadership supports agile environments where failure carries less risk.
III. Transactional leadership inspires the workforce through a strong sense of corporate culture and employee ownership.
IV. Transformational leadership relies heavily on motivating employees through rewards and punishments.
Which of the above statement(s) is/are correct?
(A) I and II
(B) III and IV
(C) I, II, and III
(D) II, III, and IV

Oct/Nov 2019

61. A bank forms a Quality Circle to solve work-related problems.
One of the primary attitudinal changes expected from the employees participating in this Quality Circle is:
(A) Fostering segmentalism to ensure departmental independence
(B) Enhancing social loafing since tasks are shared
(C) Moving from an attitude of "I don't care" to "I do care"
(D) Reducing their involvement in decision-making to favor top management

May/June 2009

62. Consider the following statements regarding 'Stress':
I. Distress results from a positive view of an event or situation and helps an individual rise to a challenge.
II. Eustress is a form of stress that engages focused energy and acts as an antidote to boredom.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2011

63. The basic premise for all ISO processes is summarized by which of the following phrases?
(A) Document what you do and do what you document.
(B) Build to adapt systems for organizational growth.
(C) Reengineer the fundamental process for efficiency.
(D) Assigning the right man for the right job role.

NODIA

May/June 2020

64. A bank encourages its employees to maintain a healthy work-life balance, resulting in employees not viewing work as a chore, making fewer mistakes, and becoming advocates for the brand. This strategy is primarily linked to improving:
(A) Centralized decision making systems.
(B) BPR reconstruction and redesign of tasks.
(C) Employee productivity and performance.
(D) Mechanistic structural control systems.

Oct/Nov 2021

65. If a delivery service achieves a Six Sigma performance rating, this implies that their operations feature:
(A) 3.4 defects per million opportunities
(B) 3.4 defects per thousand opportunities
(C) 6,210 defects per million opportunities
(D) A strict reliance on IT networks and mobile banking apps

May/June 2014

66. Which of the following statements correctly describes the Social Identity Theory in group dynamics?
(A) Identity and self-esteem based upon membership in salient groups.
(B) Relationships based on the implicit expectation of mutual exchanges.
(C) Groups develop based on activities, interactions, and sentiments alone.
(D) Groups usually perform effectively when they are first established.

Oct/Nov 2007

67. Consider the following guidelines for Business Process Reengineering (BPR) implementation:
I. Envision new processes by securing management support and aligning with corporate strategy.
II. Maintain the 'status quo' to ensure stability before defining desired performance goals.
III. Process redesign by developing alternative process scenarios and designing HR architecture.
Which of the above statement(s) is/are correct?
(A) I and II
(B) I and III
(C) II and III
(D) I, II, and III

May/June 2019

68. Consider the following strategies to build and sustain 'Positive Attitudes' in organisations:
I. Identification of employees with negative attitudes and counselling them.
II. Disseminating the need for imbibing positive attitudes through persuasion, education, and rewards.
III. Restricting all upward communication to enforce disciplinary actions.
IV. Creating a healthy organisational climate that responds to attitudinal changes.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

Oct/Nov 2005

69. Consider the following coping strategies for stress:
I. Adopting effective time management techniques.
II. Setting realistic and achievable goals rather than over-expectations.
III. Learning to relax through hobbies, physical exercise, or meditation.
IV. Getting physical examinations at frequent intervals.
V. Defining job roles properly without ambiguity.
Which of the above represent valid stress management coping strategies?
(A) I, II, and III only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2024

70. Identify the incorrect pair regarding the sequential steps in the operation of Quality Circles.
(A) Problem identification - Identify problems, decide priorities, and select problems to be taken up first
(B) Generate alternative solutions - Identify and evaluate causes, and select the most appropriate solution
(C) Problem clarification - Subordinates are immediately punished for bringing up the problem
(D) Prepare plan of action - Convert the solution

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into an action plan and implement as a test case

Oct/Nov 2016

71. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): Reference groups have a strong influence on members' behavior.
Reason (R): Reference groups provide social validation, allowing individuals to justify their attitudes, and facilitate social comparison to evaluate their own actions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

72. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): The vast majority of ISO standards are highly specific to a particular product, material, or process, but ISO 9001 and ISO 14001 are "generic management system standards."
Reason (R): ISO 9001 and 14001 provide more flexibility and can be applied to any organisation, large or small, in any sector of activity.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

73. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): A healthy organisational climate is vital for fostering the growth and development of positive attitudes among the workforce.
Reason (R): Organisational climate includes prevalent attitudes, values, management philosophy, and communication processes that influence employee reactions and performance.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

May/June 2011

74. According to the standard conversion table, a 'Process Sigma' of 6 equates to how many Defects Per Million Opportunities (DPMO)?
(A) 308,538
(B) 6,210
(C) 3.4
(D) 233

Oct/Nov 2023

75. To nurture professionalism at the workplace according to work etiquettes, an employee should best approach career advancement by:
(A) Ensuring compliance through Coercive Leadership in all departments.
(B) Withholding information from the team to maintain personal advantage.
(C) Adopting the "not invented here" syndrome when dealing with projects.
(D) Achieving goals through ethical means guided by organisational rules.

May/June 2008

76. Consider the following statements regarding the ISO 9000 Series:
I. It was originally published in 1987 by the International Organisation for Standardisation.
II. ISO 9001:2008 covers requirements, while ISO 9000:2000 covers definitions.
III. ISO prescribes its own specific production standards that every organisation must rigorously adopt without defining their own.

IV. ISO 14001 is a generic management system standard for the environment.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

Oct/Nov 2008

77. Which of the following elements:

I. Treatment to clients and customers
II. Clarity and sophistication in communication
III. Eliminating all upward communication

Which of the above correctly reflects the scope of etiquettes at a workplace?

(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2022

78. Match the components of the Quality Circle organisational structure in List-I with their functions in List-II.

List I: (Component)

P. Steering Committee
Q. Coordinator
R. Facilitator
S. Circle Leader

List II: (Function)

1. Organises and conducts Circle activities
2. Co-ordinates the works of several quality circles through the circle leaders
3. Establishes policy, plans and directs the program
4. Administers the programme and supervises the work of the facilitators

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-4, R-2, S-3

Oct/Nov 2013

79. An employee views an upcoming high-stakes public speaking event negatively, feeling overwhelmed and out of control, leading to an increased heart rate and loss of appetite. This scenario specifically illustrates:

(A) Eustress
(B) Distress
(C) Synergy
(D) Segmentalism

May/June 2015

80. Which of the following is the most appropriate description of an employee's "willingness to perform" in the context of positive attitudes?

(A) It is solely determined by educational background and training provided by the firm.
(B) It is largely governed by the organic structure and decentralized nature of work.
(C) It is easily enhanced through external interventions like restructuring job tasks.
(D) It is determined by intrinsic traits like attitudes, behaviors, and motives.

Oct/Nov 2017

81. In the context of Six Sigma conversion, a level of 'Five Sigma' equates to approximately how many Defects Per Million Opportunities (DPMO)?

(A) 3.4
(B) 6,210
(C) 233
(D) 66,807

May/June 2016

82. Which of the following statements regarding a 'Quality Circle' is incorrect?

(A) It involves a large group of 50 to 100 employees from different departments meeting annually.
(B) It aims to identify improvements in work areas using proven techniques for analysing and solving problems.
(C) It involves the channelization of skills, capabilities, confidence, and creativity of the workforce.
(D) The concept resulted from efforts to improve quality and productivity in the manufacturing sector.

Oct/Nov 2020

83. Consider the following process elements of Six Sigma:

I. Define opportunity
II. Measure performance
III. Analyze opportunity
IV. Improve performance
V. Control performance, and optionally Transfer best practice

Which of the above represent the correct elements of the DMAIC/DMAICT methodology?

(A) I, II, III, and IV only
(B) II, III, IV, and V only

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(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2006

84. Which of the following is the most appropriate reason why maintaining proper business etiquettes is important in an organisation?
(A) It allows managers to legally punish employees based on specific unwritten statutes.
(B) It encourages social loafing by masking individual weaknesses in a formal setting.
(C) It creates a professional atmosphere that improves communication and business.
(D) It prevents the formation of informal organisations within the modern workplace.

Oct/Nov 2018

85. An organisation conducts an attitudinal survey and plots results on a continuum ranging from negative to most acceptable. Management then educates the identified employees on the need to change low-performance behaviors. This action is the first step in:
(A) Eradicating the formal hierarchy to streamline organizational tasks.
(B) Establishing a matrix structure to coordinate multi-disciplinary teams.
(C) Identifying employees with negative attitudes for counselling.
(D) Implementing Six Sigma methodology to reduce variation in bank processes.

May/June 2005

86. Which of the following statements regarding Certification to ISO 9001:2015 is incorrect?
(A) ISO sets out the criteria for a quality management system and can be used by any organisation regardless of its field of activity.
(B) ISO itself directly certifies organisations and conducts independent auditing without the use of accreditation bodies.
(C) An organisation completes a Quality Manual outlining the implementation of quality management procedures.
(D) Internal audits are a vital part to check how the quality management system is working.

Oct/Nov 2024

87. Which of the following is NOT a recommended principle of Work Etiquettes?
(A) Exhibiting proper behaviour by being polite and courteous towards all colleagues.
(B) Approaching higher superiors without informing the immediate superior.
(C) Maintaining proper time management and being punctual to all office meetings.
(D) Being knowledgeable about both written and unwritten formal organisational policies.

May/June 2021

88. In which year did Six Sigma begin as a statistically-based method to reduce variation in electronic manufacturing processes?
(A) 1975
(B) 1986
(C) 1991
(D) 1995

Oct/Nov 2006

89. Which of the following is a correct feature of stress?
(A) Stress is purely a mental process and has no physical origin or external response.
(B) Stress has a cumulative effect; unmanaged hardships add upon existing stress.
(C) Stress can only be caused by external demands and never from within one's self.
(D) Stress has only negative effects and never yields any positive personal outcomes.

May/June 2013

90. Match the Kaizen 5S methods in List-I with their meanings in List-II.
List I: (Method)
P. Seiri (Sort)
Q. Seiton (Set in order)
R. Seiso (Shine)
S. Seiketsu (Standardise)
List II: (Meaning)
1. Work should be done in a standard format to save time and avoid errors
2. Cleanliness of workplace, machines, and equipment
3. Decluttering process to remove unnecessary items
4. Arrange things, prioritise work, and follow proper processes
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-4, R-2, S-3

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Oct/Nov 2015

91. Consider the following steps from the broad guidelines of Business Process Reengineering (BPR) Implementation:

I. Set up reengineering team
II. Describe existing processes
III. Uncover deficiencies in existing processes
IV. Develop alternative process scenarios
V. Establish process changes

Which of these steps belong specifically to the "Process diagnosis" phase?

(A) I and II
(B) II and III
(C) III and IV
(D) IV and V

May/June 2025

92. An employee working at a bank struggles to balance the demanding hours required by his operations role with his responsibilities at home towards his family.

This specific type of role conflict is termed:

(A) Intra-role conflict
(B) Goal consensus conflict
(C) Inter-role conflict
(D) Social loafing

Oct/Nov 2022

93. Which of the following statements about the Managerial Grid is incorrect?

(A) It identifies five leadership styles based on 'Concern for Production' and 'Concern for People'.
(B) The (1,1) style represents the 'Impoverished' or Laissez Faire leadership.
(C) The 'concern for' phrase conveys how managers are concerned for people or production, rather than exactly how much production is achieved.
(D) The (5,5) style represents the 'Team Builder' leadership with high concern for both production and people.

May/June 2010

94. Which of the following statements regarding the Six Sigma DMAICT methodology is incorrect?

(A) 'D' stands for Define opportunity.
(B) 'M' stands for Measure performance.
(C) 'I' stands for Ignore deficiencies.
(D) 'T' stands for Transfer best practice.

Oct/Nov 2012

95. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): It is important to learn how to minimize social loafing in work groups.

Reason (R): The 'Ringlemann effect' suggests that people may not work as hard in groups because their contribution is less noticeable and they prefer to see others carry the workload.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

96. Consider the following statements regarding the Kaizen Method:

I. It refers to the continuous efforts by employees at every level to improve quality using the '5S' technique.
II. Shitsuke (Discipline and Sustainability) includes embracing dedication, following rules, and avoiding procrastination.

Which of the above statement(s) is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2009

97. Which of the following best distinguishes Business Process Reengineering (BPR) from continuous improvement models like Kaizen?

(A) BPR achieves radical redesign and dramatic improvements in performance measures.
(B) BPR focuses only on minor, incremental improvements in isolated organizational tasks.
(C) BPR relies heavily on punishing employees through transactional leadership styles.
(D) BPR focuses on maintaining the "status quo" while adding more bureaucratic layers.

NODIA

May/June 2023

98. The following question consists of two statements, one labelled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): Product benchmarking involves the process of designing new products or upgrades to current ones.
Reason (R): This process can sometimes involve reverse engineering, which is taking apart competitors' products to find strengths and weaknesses.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

99. Consider the following simulation methods:
I. In-basket exercises
II. Group discussions
III. Oral presentation exercises
Which of the above represent common job simulations used in Assessment/Development Centres?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2007

100. An operations manager in a bank mandates that all office desktops and equipment must be cleaned and maintained regularly to prevent early deterioration and induce positive vibes.
Which '5S' step of the Kaizen method is the manager applying?
(A) Seiri
(B) Seiton
(C) Seiketsu
(D) Seiso

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ANSWERS

1. (A) P-3, Q-1, R-4, S-2
Master charts provide a comprehensive view of the entire formal structure of an organization. Supplementary charts offer detailed insights into specific departments or prescribed areas. Formal organization charts specifically outline the official chain of command and authority levels. Conversely, informal networks encompass the flexible, dynamic social relationships that exist outside the officially documented organizational hierarchy.

2. (B) I, III, and IV
Command groups are defined by official organizational charts, consisting of supervisors and their direct subordinates. Functional groups are established to fulfill specific objectives within an indefinite period. Friendship groups emerge based on common social interests among members. Task groups differ because they are typically temporary formations created to solve specific problems rather than permanent units for undefined issues.

3. (A) Only I
A matrix structure effectively integrates project-based designs with traditional functional frameworks to optimize personnel utilization after project completion. This dual approach facilitates resource sharing and specialized expertise across different departments. However, this model inherently involves dual lines of command, which can sometimes lead to administrative conflicts or power struggles between functional and project managers during decision-making.

4. (C) Digital communication lacks nuance, with effectiveness determined by the recipient's personal expectations.
Online discussion groups and web networks often lack the subtle nuances found in face-to-face communication, such as body language and vocal tone. Consequently, the overall effectiveness of digital communication is frequently determined by the personal expectations and interpretations of the recipient. Virtual platforms are not perfect substitutes for physical interaction because anonymity can sometimes reduce personal accountability.

5. (C) I and III
Establishing an open corporate culture serves as a foundational step for effective knowledge sharing within any group setting. Interactive learning environments further enhance this process by allowing participants to gain insights from both the leader and their peers. Effective leadership encourages multidimensional learning rather than restricting it, as diverse perspectives are essential for navigating complex multicultural group dynamics successfully.

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6. (A) P-3, Q-1, R-2, S-4
Leaders typically derive their goals from internal self-motivation and demonstrate a high tolerance for chaos and lack of structure. In contrast, managers focus on embracing established processes to maintain organizational stability and control. While managers are primarily concerned with controlling risks and following procedures, leaders are often more willing to navigate unstructured environments to drive innovation.

7. (B) A structured group of individuals coordinated through specialization and authority to achieve specific goals
In the context of humanistic management, an organization is defined as a structured group of individuals who coordinate their efforts through specialization and authority to achieve specific goals. This perspective emphasizes the coordination of people rather than just hierarchical tasks. It moves beyond purely mechanical views by focusing on how collective action and authority structures facilitate goal attainment.

8. (B) Activities, interactions, and sentiments
Classic theory identifies activities, interactions, and sentiments as the three fundamental elements driving group formation. Activities involve the tasks performed by individuals, while

interactions represent the communication and contact between members. Sentiments refer to the feelings and attitudes that develop during these processes. Together, these elements explain how individuals coalesce into a cohesive social unit within the workplace.

9. (B) Inter role conflict - Conflict between different sources for the same role.
Inter-role conflict occurs when the requirements of one role, such as work, clash with the requirements of another role, like family life. It does not refer to conflict between different sources for the same role. Conversely, initiators define problems and suggest group procedures, while role conflict generally involves inconsistencies between perceived organizational expectations and actual individual behavior.

10. (C) The Person-Job Fit
Person-job fit refers to the alignment between an individual's personality, skills, and traits and the specific requirements of their assigned role. Frustration occurs when an aggressive individual is placed in a restrictive environment or an introvert is forced into high-pressure sales. Misalignment in these areas leads to decreased performance and dissatisfaction for both the employee and the organization.

11. (D) Leadership develops through lateral career moves and broad job assignments.
Exposing potential general managers to multiple distinct functions demonstrates that leadership capabilities are developed through broad job assignments and lateral career moves. This approach ensures that future leaders acquire a comprehensive understanding of the entire organization. It emphasizes that leadership is a learnable skill enhanced by diverse experiences rather than being a purely innate quality found in individuals.

12. (C) Organic structures involve employees in decision making, while mechanistic structures feature rigid rules and centralized power.
Organic structures promote employee involvement in decision-making and maintain flexible, decentralized frameworks. In contrast, mechanistic structures are characterized by rigid rules, centralized power, and tall hierarchies similar to traditional bureaucracies. While mechanistic designs prioritize efficiency and uniformity through strict command lines, organic designs are better suited for rapid adaptation and innovation in evolving business environments.

13. (A) Storming
The storming stage of group development is characterized by high levels of internal conflict and power struggles. During this phase, members often challenge established goals and vie for leadership positions, leading to voiced criticisms. This stage is a natural part of the evolution process as the group works through disagreements before reaching consensus on roles and operational norms.

14. (C) The creation of a whole that is greater than the sum of its parts
Synergy in group dynamics refers to the phenomenon where the collective output of a team exceeds the simple sum of individual efforts. This happens when members coordinate effectively, leveraging diverse skills and perspectives to produce superior results. It represents a positive outcome of group interaction, contrasting with social loafing where individuals might exert less effort when working in a team.

15. (D) The ability to influence individuals or groups toward the achievement of a goal.
Leadership is commonly defined as the capacity to influence individuals or groups toward the successful achievement of specific goals. It involves guiding and motivating others through communication and vision rather than relying solely on formal authority. While management focuses on structure and coordination, leadership emphasizes the influential process that inspires people to work together for a common organizational objective.

16. (A) Formal organisations set structural authority, while informal ones arise from spontaneous social relationships.
Formal organizations are established through structured authority and official hierarchies to achieve specific corporate objectives. In contrast, informal organizations arise spontaneously from the social relationships and personal interactions among employees. While formal structures provide official communication channels and stability, informal units fulfill social needs and

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can significantly influence the actual functioning of the workplace environment.

17. (A) Cohesiveness
Group cohesiveness increases when members spend a long time together, face intense external competition, and when membership is difficult to obtain. These factors strengthen the bonds between individuals, encouraging them to work more closely toward shared objectives. High cohesiveness generally leads to better coordination and commitment, although it must be managed to avoid the pitfalls of groupthink.

18. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Historically, workers were viewed as "vital machines," and it was believed that better physical conditions would automatically enhance productivity. Parallel to this, different streams of thought emerged regarding the systematic organization of work and the individual's psychological relation to their tasks. While both statements are factually correct, the development of organizational theories does not directly explain the machine-like view.

19. (D) Reference group
A reference group serves as a standard for individuals to evaluate their own attitudes, values, and behaviors. By comparing themselves with a successful peer network, employees determine whether their actions align with professional expectations. These groups provide social validation and help individuals navigate organizational norms, even if they are not formal members of the specific group they are observing.

20. (B) 4, 2, 5, 3, 1
Groups typically progress through five chronological stages of development. It begins with forming, where members orient themselves, followed by storming, characterized by conflict. Next is norming, where cooperation and shared expectations develop, leading to the performing stage of high productivity. Finally, the adjourning stage occurs when the group has completed its task and prepares to disband or restructure.

21. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Managers often favor the status quo because they are responsible for maintaining stability and routine operations within the organization. Conversely, leaders act as change agents who challenge existing norms to foster creativity and innovation. While both roles are essential, their differing perspectives on stability and change are distinct characteristics of their respective functions rather than one directly causing the other.

NODIA

22. (B) Divisional Structure
A divisional structure consists of self-contained strategic business units, each producing distinct products or services. While this allows the central authority to focus on overall results, it often leads to a duplication of activities, such as having separate marketing or HR departments for each division. This form is common in large corporations looking to manage diverse product lines independently.

23. (D) In-basket exercises - Fact-finding and analysis.
In-basket exercises are a common job simulation used in assessment centers to evaluate fact-finding and analysis skills. Participants are required to handle a series of administrative tasks and messages within a limited timeframe. While group discussions focus on interpersonal communication, in-basket exercises specifically test an individual's ability to prioritize work, make decisions, and manage information under realistic pressure.

24. (D) Performance norms always strictly align with the formal organisation's goals and expectations.
Group norms are acceptable standards of behavior shared by members, often enforced through social pressure or exclusion. While organizations hope for alignment, performance norms do not always strictly match formal goals; sometimes, groups develop norms that restrict output. For a norm to be effective, the majority of the group must agree that the behavior is appropriate for its members.

25. (A) P-3, Q-4, R-1, S-2
The forming stage involves uncertainty and orientation regarding the group's purpose. Storming is marked by high disagreement and power struggles. Norming occurs when members recognize individual differences and establish cooperative efforts. Finally, the performing stage represents a mature, cohesive unit focused on rational decision-making. These stages represent the psychological and social evolution of a group toward maximum effectiveness.

26. (D) A strong technical base is developed and more time is devoted to complex problem-solving.
Developing a strong technical base and devoting more time to complex problem-solving are considered significant advantages of a matrix organization. Disadvantages typically include the feeling of a lack of control when reporting to multiple managers and potential biases from functional managers. While the structure encourages cross-functional expertise, it can also lead to confusion due to the absence of independent operation.

27. (D) I, II, III, IV, and V
Measuring group effectiveness involves evaluating various outcomes related to the group's activities. Key measures include productivity levels, member satisfaction, and overall attitudes toward work. Additionally, attendance records, employee retention rates, and the physical and mental well-being of members serve as vital indicators. A holistic assessment of these factors determines how well a group functions within the larger organizational context.

28. (A) They utilize single observers to evaluate participant behaviour across all simulations to ensure uniform bias.
Assessment and development centers utilize multiple trained observers rather than a single individual to evaluate participant behavior across various simulations. This multi-rater approach is designed to minimize personal bias and ensure a more objective assessment. These centers use work-related simulations to identify strengths and development needs, helping organizations prepare employees for higher-level leadership roles in the future.

29. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
As group size increases beyond ten or twelve members, individual satisfaction generally declines because personal contributions become less visible. This decrease in satisfaction is often accompanied by a drop in average productivity due to social loafing, where individuals exert less effort in larger teams. Therefore, the phenomenon of social loafing provides a direct explanation for the reduction in member satisfaction.

30. (D) A group may or may not share a common goal, whereas a team always shares a common goal.
A fundamental distinction between a group and a team lies in their objectives. While members of a group may or may not share a specific common goal, team members are always united by a shared purpose and collective responsibility. Groups often focus on individual performance and information sharing, whereas teams rely on mutual accountability and interdependent efforts to achieve unified outcomes.

31. (A) P-3, Q-4, R-1, S-2
The Managerial Grid identifies leadership styles based on concern for people and production. The Country Club style (1,9) prioritizes employee needs over tasks, while Team Builder (9,9) focuses highly on both. Autocratic styles (9,1) emphasize task completion with minimal concern for people. Finally, the Impoverished style (1,1) represents a Laissez Faire approach with low concern for both dimensions.

32. (B) Mission and Vision Statements and Customer Surveys
Research indicates that mission and vision statements, along with customer surveys, are among the most frequently utilized organizational improvement tools. These tools help clarify the organization's long-term direction and provide essential feedback on service quality. While benchmarking and SWOT analysis are also valuable, the widespread adoption of vision setting and customer feedback remains a primary focus for most organizations.

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33. (B) Switch flexibly among styles as needed for the situation.
Effective leaders should not adhere to a single dominant style but should instead switch flexibly among different leadership approaches as required by the situation. This adaptability allows them to respond appropriately to various challenges, employee readiness levels, and organizational needs. Relying solely on coercive or democratic styles limits a leader's effectiveness in managing the diverse complexities of a modern workforce.

34. (D) Sharing information among banks to prevent frauds and tackle bad loans in trade finance.
The "Bankchain" initiative utilizes blockchain technology to facilitate the secure sharing of information among various banks. The primary goal is to enhance transparency and coordination to prevent financial fraud and effectively manage bad loans in trade finance. This collaborative approach leverages technology to strengthen the overall integrity of the banking system by providing a common, tamper-proof record of transactions.

35. (D) I, II, and III
Strategic leadership requires a combination of skills to navigate unknown environments effectively. The ability to anticipate future trends and challenges is essential for long-term planning. Leaders must also interpret complex information from diverse sources to make informed decisions. Finally, aligning different stakeholders and organizational resources ensures that everyone is moving toward the same strategic goals in a cohesive manner.

36. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Total Quality Management (TQM) is considered a large-scale systems change because it fundamentally alters an organization's norms, values, and decision-making processes. Consequently, TQM implementation will not succeed if management focuses only on technology while ignoring cultural and political dimensions. The assertion that these broader dimensions must be addressed is directly explained by TQM's nature as a comprehensive organizational transformation.

37. (A) P-4, Q-1, R-3, S-2
Different leadership styles are supported by specific emotional intelligence competencies. The coercive style relies on a drive to achieve and initiative, while the authoritative style utilizes self-confidence and empathy. Affiliative leadership focuses on building relationships and communication. Finally, the coaching style emphasizes developing others and self-awareness, allowing leaders to nurture the long-term potential of their team members.

38. (A) I, II, and III
Transformational leaders are characterized by their ability to foster ethical work environments guided by clear values. They empower their followers to act in the best interest of the organization and focus on developing those followers into future leaders. While they drive innovation and change, they do not typically prioritize narrow financial tools like zero-based budgeting as a core leadership trait.

NODIA

39. (D) Communicating that new practices improve competencies and add to overall efficiency.
To address employee fears during a benchmarking study, management should communicate that adopting new practices is intended to improve individual competencies and overall organizational efficiency. This approach helps reduce the perceived threat of being exposed for shortcomings. Positive reinforcement and transparent communication are more effective than coercive measures in gaining employee buy-in for continuous improvement initiatives and technological changes.

40. (A) Nelson Mandela
Nelson Mandela famously advocated the concept of leading from behind, comparing a great leader to a shepherd who stays behind the flock to let the nimblest members lead the way. This philosophy emphasizes empowering others and allowing them to take initiative while the leader provides overall direction. It highlights a selfless approach to leadership that prioritizes the growth and success of the group.

41. (B) The elimination of inter role conflict and promotion of social validation
Resistance to TQM often stems from segmentalism, where departments view

themselves as independent units, and the "not invented here" syndrome. Management may also fear losing authority due to increased employee empowerment. However, the elimination of inter-role conflict and the promotion of social validation are generally positive outcomes and are not considered typical sources of resistance to quality initiatives.

42. (B) Only II
In Situational Leadership Theory, employees with high willingness but low ability are best managed using the selling style, which provides high task guidance while remaining supportive. Those with low willingness and low ability require a telling style rather than delegating. The selling style is effective here because it addresses the skill gap while maintaining the employee's existing motivation through interaction.

43. (B) The process of comparing business processes and performance metrics to an industry leader or best practice
Benchmarking is defined as the process of comparing an organization's business processes and performance metrics to industry leaders or recognized best practices. This comparison allows companies to identify performance gaps and implement strategies for improvement. Unlike radical reengineering, benchmarking focuses on learning from the successes of others to enhance current operations and achieve a higher standard of organizational excellence.

44. (D) Inspiring employees to innovate and create change without micro-managing.
Transformational leadership is a style where leaders inspire employees to innovate and create meaningful change within the organization without micro-managing their daily tasks. These leaders focus on a vision and help followers grow by challenging them intellectually and providing individualized support. This approach contrasts with transactional styles that rely primarily on a system of rewards and punishments to drive employee performance.

45. (A) P-4, Q-1, R-2, S-3
Total Quality Management rests on several key pillars. These include an unwavering focus on both internal and external customers and treating suppliers as essential business colleagues. Employee involvement in decision-making is critical for success, as is the practice of benchmarking to compare performance with industry best practices. Together, these principles create a comprehensive framework for continuous improvement and customer satisfaction.

46. (B) Fluid leadership seamlessly switching styles as needed
The case of Joan illustrates fluid leadership, where a manager seamlessly switches between various styles—such as listening, coaching, and enforcing discipline—based on the evolving situation. By adapting her approach from collaborative exploration to strict accountability, she addresses different needs at different times. This flexibility is a hallmark of effective leadership, allowing for balanced management during periods of organizational crisis or transition.

47. (A) I, II, III, and V
New private and foreign banks typically focus their IT investments on innovations and value-adding activities like CRM tools and ATM networks. In contrast, older public and private sector banks often prioritize application development to augment existing systems. While new banks excel at managing infrastructure complexity, they generally demonstrate more sophisticated IT talent management practices compared to their older counterparts.

48. (B) (9,1)
According to the Managerial Grid, a leader who demonstrates high concern for production but low concern for people is classified as having a (9,1) style. This autocratic approach focuses strictly on task completion and efficiency, often at the expense of employee morale or relationships. It represents one extreme of the grid, where authority and compliance are prioritized to meet organizational output goals.

49. (D) 2, 1, 3
The chronological methodology for benchmarking begins with identifying internal problem areas and baselining current performance. Once internal needs are understood, the organization identifies and shortlists industry leaders with similar processes. Finally, the team visits these "best practice" companies to exchange

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information. This sequential approach ensures that the benchmarking study is focused on relevant improvements and based on a solid internal understanding.

50. (C) Intellectual stimulation
Intellectual stimulation is a factor of transformational leadership where the leader encourages subordinates to challenge their own beliefs and find innovative solutions to problems. By listening to feedback and promoting creative thinking, the leader fosters an environment where employees feel empowered to improve processes. This component of leadership focuses on the mental growth and problem-solving capabilities of the team members.

51. (D) Showing how TQM eliminates waste and frees resources for core client services.
In human services, management must demonstrate that TQM is not just about budgets but about improving client service quality. By showing how the methodology eliminates waste and frees up resources, they can gain the support of line workers. Transparent communication about how quality improvements benefit both the staff and the clients is essential for overcoming perceptions of management being solely profit-driven.

52. (D) Participating Style
According to Situational Leadership Theory, employees who possess the necessary skills but lack motivation are best managed through a participating style. This approach involves low task guidance because the employees already know how to do the work, but high relationship behavior to rebuild their interest. By involving them in decision-making, the manager can help restore their commitment to the tasks.

53. (C) The top leader implementing all of the best ideas.
Leading from behind focuses on empowering team members to emerge as innovators and leaders themselves, united by shared goals. A leader using this approach does not implement all the best ideas alone; instead, they foster an environment where the team creates and executes solutions. The leader only steps forward during critical moments to ensure the team remains on track toward the objective.

54. (C) World-class IT driven by cost advantage, avoiding legacy systems, and superior governance.
Findings on IT effectiveness in top Indian banks highlight that world-class performance is driven by cost advantages, the avoidance of outdated legacy systems, and superior governance structures. These banks leverage modern technology to achieve high efficiency and competitive product distribution. This success is not purely about high costs but about strategic management and leadership involvement in aligning IT with business goals.

55. (C) Assertion (A) is true, but Reason (R) is false.
Transactional leadership is indeed well-suited for routine environments where structure is needed to reduce inefficiency and chaos. However, the "four I's"—idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration—are the core components of transformational leadership, not transactional leadership. Therefore, the second statement is incorrect as it describes the wrong leadership model, despite the first statement being factually accurate.

56. (A) Selling Style - High task guidance, supportive behaviour
The selling style in Situational Leadership Theory is characterized by high task guidance and high relationship (supportive) behavior. This style is appropriate for followers who are willing but lack the necessary ability. In contrast, the telling style involves high task and low relationship behavior, while the participating style features low task and high relationship behavior. Each style corresponds to specific follower readiness levels.

57. (A) Only I
The introduction of specialized business packs for MSME customers is a significant automation initiative that allows for easier access to overdrafts or demand loans. However, banks are not replacing all rural business correspondents with fully automated offices; instead, they often use a hybrid approach to maintain reach in remote areas. This demonstrates how technology is used to enhance service delivery rather than completely removing the human element.

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58. (A) Nelson Mandela
Nelson Mandela is the figure famously associated with the contemporary leadership concept of the shepherd leading from behind. This approach allows the most capable or "nimblest" members of the team to take the lead, while the leader maintains the overall direction and unity of the group. It is a powerful metaphor for empowering subordinates and fostering collective growth within an organization.

59. (A) P-4, Q-2, R-1, S-3
Process benchmarking focuses on investigating business processes to identify best practices, while performance benchmarking compares competitive products and services. Functional benchmarking targets a single function to improve its specific operation. Operational benchmarking is much broader, embracing everything from staffing levels and productivity to general office flow. Each type serves a distinct purpose in identifying and implementing organizational improvements.

60. (A) I and II
Transactional leadership relies on supervision and performance monitoring to maintain efficient, routine procedures in stable environments. Transformational leadership, however, is better suited for agile environments where innovation is encouraged and the risk of failure is managed. Transactional leaders motivate through rewards and punishments, whereas transformational leaders inspire the workforce through culture and a sense of ownership, making statements I and II correct.

61. (C) Moving from an attitude of "I don't care" to "I do care"
Participation in a Quality Circle is intended to foster a sense of ownership and responsibility among employees. One of the primary attitudinal changes expected is a shift from indifference to active concern for the quality of work. This increased involvement helps move employees from an "I don't care" attitude toward one where they feel personally invested in solving departmental problems.

62. (B) Only II
Eustress is a positive form of stress that engages focused energy and acts as an antidote to boredom, helping individuals rise to challenges. In contrast, distress results from a negative perception of a situation and can be overwhelming. Statement I is incorrect because it describes eustress but labels it as distress, whereas statement II accurately defines the positive nature of eustress.

63. (A) Document what you do and do what you document.
The fundamental premise of all ISO processes is summarized by the requirement to document established procedures and then strictly adhere to those documented steps. This ensures consistency, quality control, and accountability within an organization's management system. By following this principle, companies can demonstrate that their processes are predictable, repeatable, and meet international standards for quality management or environmental responsibility.

64. (C) Employee productivity and performance.
Encouraging a healthy work-life balance is a strategy directly linked to improving employee productivity and performance. When employees do not view work as a chore, they are more engaged, make fewer errors, and become positive advocates for the brand. This holistic approach recognizes that the well-being of the workforce is essential for achieving long-term organizational success and high-quality output.

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65. (A) 3.4 defects per million opportunities
A Six Sigma performance rating signifies a near-perfect operation with only 3.4 defects per million opportunities. This statistically-driven methodology focuses on reducing variation in processes to achieve extremely high levels of quality and efficiency. Achieving this standard indicates that an organization has mastered its processes to the point where errors are virtually eliminated, significantly enhancing customer satisfaction and operational excellence.

66. (A) Identity and self-esteem based upon membership in salient groups.
Social Identity Theory posits that a significant portion of an individual's self-esteem and sense of identity is derived from their membership in salient social groups. People categorize themselves and others into various groups, which influences their perceptions and behaviors. In an

organizational context, this theory explains why employees feel a sense of pride or loyalty based on the teams they belong to.

67. (B) I and III
Implementing Business Process Reengineering involves envisioning new processes aligned with corporate strategy and securing management support. It also requires a complete redesign of processes and the underlying human resources architecture. Unlike continuous improvement, BPR does not maintain the "status quo"; instead, it seeks radical change and dramatic performance improvements by fundamentally rethinking how work is currently performed in the organization.

68. (B) I, II, and IV
Strategies to sustain positive attitudes include identifying and counseling employees with negative outlooks and using education and rewards to encourage positive mindsets. Creating a healthy organizational climate that is responsive to employee needs is also vital. Conversely, restricting upward communication is detrimental to morale and prevents the development of the trust necessary for maintaining a positive workplace environment.

69. (D) I, II, III, IV, and V
Valid stress management strategies encompass both personal and organizational actions. Personal techniques include effective time management, setting realistic goals, and practicing relaxation through exercise or meditation. Organizations can help by defining job roles clearly to avoid ambiguity and encouraging regular physical examinations. Together, these coping mechanisms help individuals manage the cumulative effects of stress and maintain their overall well-being.

70. (C) Problem clarification - Subordinates are immediately punished for bringing up the problem
Quality Circles are designed to be collaborative and supportive environments for problem-solving. It is incorrect to suggest that subordinates are punished for bringing up problems during the clarification stage. Instead, the process involves identifying problems, generating alternative solutions, and preparing action plans. Encouraging open communication is essential for the circle to effectively analyze causes and implement successful improvements in the work area.

71. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Reference groups exert a strong influence on behavior because they provide individuals with social validation for their attitudes. They also facilitate social comparison, allowing people to evaluate their own actions against the standards of a group they admire or belong to. This psychological process explains why people often align their behavior with the norms of their reference groups to feel accepted and justified.

72. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
While many ISO standards are product-specific, ISO 9001 and ISO 14001 are known as "generic management system standards." This is because they focus on the management process rather than a specific product, making them flexible enough to be applied to any organization regardless of its size or sector. This inherent flexibility explains why these two standards are widely adopted across diverse industries globally.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
A healthy organizational climate is essential for fostering positive attitudes because it encompasses the prevalent values, management philosophy, and communication processes that shape employee reactions. When the environment is supportive and transparent, employees are more likely to develop productive behaviors and high levels of performance. The components of the climate directly influence how individuals perceive and respond to their work environment.

74. (C) 3.4
In Six Sigma terminology, a 'Process Sigma' level of 6 corresponds to a defect rate of 3.4 defects per million opportunities. This level represents the pinnacle of process quality and efficiency. Lower sigma levels have significantly higher defect rates, such as 233 DPMO for five sigma or 6,210 DPMO for four sigma. Reaching six sigma

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indicates nearly flawless execution of a business process.

75. (D) Achieving goals through ethical means guided by organisational rules.
Professionalism and work etiquette dictate that career advancement should be achieved through ethical means and adherence to organizational rules. This includes being transparent with the team and avoiding the "not invented here" syndrome. By achieving goals with integrity and respecting established policies, an employee builds a sustainable professional reputation that contributes to their long-term success and the organization's overall health.

76. (B) I, II, and IV
The ISO 9000 series was first published in 1987 and includes ISO 9001:2008 for requirements and ISO 9000:2000 for definitions. ISO 14001 is the generic standard for environmental management systems. Importantly, ISO does not prescribe specific production standards for an organization to adopt; instead, it provides a framework for organizations to define and document their own quality processes.

77. (A) I and II
Workplace etiquette encompasses the professional treatment of clients and customers, as well as maintaining clarity and sophistication in all forms of communication. These practices ensure a respectful and efficient work environment. Eliminating upward communication is not a part of professional etiquette; in fact, open and honest communication across all levels is encouraged to foster a collaborative and successful organizational culture.

78. (A) P-3, Q-4, R-2, S-1
The organizational structure of a Quality Circle involves different roles with specific functions. The Steering Committee establishes policy and plans the program, while the Coordinator administers the program and supervises facilitators. The Facilitator coordinates the work of several circles through their leaders. Finally, the Circle Leader is responsible for organizing and conducting the actual activities and meetings of the individual circle.

79. (B) Distress
Feeling overwhelmed, out of control, and experiencing negative physical symptoms like a loss of appetite before a high-stakes event are classic signs of distress. Unlike eustress, which provides a positive challenge, distress is perceived as a threat that exceeds an individual's coping abilities. This scenario illustrates how negative stress can manifest physically and mentally when an individual feels ill-equipped for a task.

80. (D) It is determined by intrinsic traits like attitudes, behaviors, and motives.
An employee's "willingness to perform" is primarily governed by intrinsic factors such as their personal attitudes, motives, and behaviors. While external factors like job structure and training can support performance, the internal drive to succeed is a personal trait. Therefore, fostering positive attitudes is essential because it directly impacts this internal motivation, which is often more difficult to change than technical skills.

81. (C) 233
In the Six Sigma quality framework, a 'Five Sigma' level corresponds to approximately 233 defects per million opportunities. While this is a high standard of quality, it still allows for more errors than the elite Six Sigma level of 3.4 DPMO. Organizations strive to move up these sigma levels to progressively reduce waste and improve the reliability of their business processes.

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82. (A) It involves a large group of 50 to 100 employees from different departments meeting annually.
Quality Circles typically involve small groups of five to ten employees who meet regularly, not large groups of 50 to 100 meeting annually. The goal of these small, voluntary groups is to identify and solve specific work-related problems using analytical techniques. This concept originated in the manufacturing sector to channel the creativity and skills of workers toward improving quality and productivity.

83. (D) I, II, III, IV, and V
The DMAICT methodology for Six Sigma stands for Define, Measure, Analyze, Improve, Control, and Transfer. It begins by defining the opportunity and measuring current performance. The team then analyzes the opportunity to find root

causes, improves the process, and implements controls to sustain the gains. Finally, transferring best practices ensures that the improvements are shared across the organization for broader impact.

84. (C) It creates a professional atmosphere that improves communication and business.
Maintaining proper business etiquette is crucial because it creates a professional atmosphere that facilitates better communication and smoother business operations. It sets a standard for respectful behavior that helps build trust and rapport among colleagues and with clients. Good etiquette does not prevent informal organizations or serve as a tool for punishment, but rather enhances the overall productivity and reputation of the firm.

85. (C) Identifying employees with negative attitudes for counselling.
When an organization conducts an attitudinal survey and plots the results on a continuum, the primary goal of the first step is to identify employees with negative attitudes. Once identified, management can provide targeted counseling and education to help these individuals move toward more acceptable and productive behaviors. This proactive approach aims to improve the overall organizational climate and individual performance levels.

86. (B) ISO itself directly certifies organisations and conducts independent auditing without the use of accreditation bodies.
A common misconception is that the International Organization for Standardization directly certifies companies. In reality, ISO only develops the standards; the actual certification is performed by independent external accreditation and certification bodies. Organizations must develop a quality manual and undergo internal and external audits to verify that their management system meets the specific requirements of the ISO 9001:2015 standard.

87. (B) Approaching higher superiors without informing the immediate superior.
A fundamental principle of work etiquette is respecting the formal chain of command. Approaching higher-level superiors without first informing one's immediate supervisor is generally considered improper behavior and can lead to misunderstandings or conflict. Recommended practices include being polite to all colleagues, maintaining punctuality for meetings, and being well-versed in both the written and unwritten policies of the organization to ensure professional conduct.

88. (B) 1986
Six Sigma began in 1986 as a statistically-based method developed by Motorola to reduce variation and defects in electronic manufacturing processes. Since its inception, the methodology has evolved from a simple quality tool into a comprehensive management strategy used by organizations worldwide to achieve breakthrough improvements in performance. It focuses on using data-driven techniques to eliminate errors and enhance overall process efficiency.

89. (B) Stress has a cumulative effect; unmanaged hardships add upon existing stress.
Stress is characterized by its cumulative nature, where unmanaged daily hardships and pressures add up over time to increase an individual's overall stress level. It is not purely mental, as it has significant physical origins and external responses. Additionally, stress can be caused by both internal and external factors and can sometimes lead to positive outcomes, such as improved focus and performance.

90. (A) P-3, Q-4, R-2, S-1
The Kaizen 5S method involves five steps for workplace improvement. Seiri (Sort) involves decluttering unnecessary items. Seiton (Set in order) focuses on arranging things and following proper processes. Seiso (Shine) emphasizes the cleanliness of the workplace and equipment. Finally, Seiketsu (Standardize) ensures that work is performed in a standard format to save time and reduce errors, while Shitsuke focuses on discipline.

91. (B) II and III
In the broad guidelines for Business Process Reengineering, the "Process Diagnosis" phase specifically involves describing existing processes and uncovering their inherent deficiencies. This step is crucial for understanding where the current system is failing before any redesign occurs. While setting up a team happens earlier

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and developing alternative scenarios happens later, diagnosis focuses strictly on analyzing the current state to identify the need for radical change.

92. (C) Inter-role conflict
Inter-role conflict occurs when the demands and responsibilities of one role, such as being a dedicated bank employee, interfere with the requirements of another role, such as being a family member. This clash between different areas of life can cause significant stress and dissatisfaction. It is a common challenge in modern work environments that requires effective balance and organizational support to manage successfully.

93. (D) The (5,5) style represents the 'Team Builder' leadership with high concern for both production and people.
In the Managerial Grid, the (5,5) style is referred to as 'Middle of the Road' leadership, balancing a moderate concern for both production and people. The 'Team Builder' style is actually denoted by (9,9), representing the highest level of concern for both dimensions. The (1,1) style correctly represents impoverished management, and the grid focuses on the manager's concern for these areas.

94. (C) 'I' stands for Ignore deficiencies.
In the Six Sigma DMAICT methodology, the letter 'I' stands for Improve performance, not ignore deficiencies. The entire purpose of the methodology is to define, measure, and analyze performance issues so they can be corrected through structured improvements. Each letter represents a vital stage in the data-driven process aimed at reducing variation and enhancing the quality of organizational outputs.

95. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Minimizing social loafing is important for maintaining group productivity. The 'Ringlemann effect' provides a clear explanation for this phenomenon, suggesting that as more people are added to a task, individual effort often decreases because personal contributions become less noticeable. This psychological tendency for people to work less hard in groups makes it essential for managers to find ways to ensure individual accountability.

96. (C) Both I and II
Kaizen refers to continuous improvement efforts made by employees at every level using techniques like the 5S method. A key part of this is Shitsuke, which translates to discipline and sustainability. This step involves embracing dedication, following established rules, and avoiding procrastination to ensure that quality improvements are maintained over the long term. Both statements accurately reflect the core principles and practices of the Kaizen methodology.

97. (A) BPR achieves radical redesign and dramatic improvements in performance measures.
Business Process Reengineering (BPR) is distinguished from continuous improvement models like Kaizen by its focus on radical redesign and achieving dramatic improvements in performance. While Kaizen emphasizes small, incremental, and continuous changes, BPR involves a fundamental rethinking of entire processes to achieve significant breakthroughs. BPR is typically used when an organization needs a complete overhaul rather than minor refinements to its existing operations.

98. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Product benchmarking is the process of designing new products or upgrading existing ones by comparing them to competitors. A key part of this process is reverse engineering, where an organization takes apart a competitor's product to identify its technical strengths and weaknesses. This investigative technique provides the necessary data to explain how competitors achieve their results, directly supporting the product benchmarking process.

99. (D) I, II, and III
Assessment and development centers commonly use a variety of job simulations to evaluate candidates. These include in-basket exercises to test administrative and analytical skills, group discussions to observe interpersonal and leadership abilities, and oral presentation exercises to assess communication competence.

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Using multiple simulation methods provides a comprehensive and balanced view of an individual's potential for handling the challenges of higher-level roles.

100. (D) Seiso
The manager is applying the 'Seiso' step of the Kaizen 5S method, which translates to 'Shine'. This step focuses on the regular cleaning and maintenance of the workplace, equipment, and machines to prevent deterioration and create a positive working environment. By ensuring that desktops and tools are kept in top condition, the manager helps improve operational efficiency and boosts employee morale through a clean workspace.

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CHAPTER 03
Organisational Change

May/June 2016

1. Match the types of organisational change components in List-I with their corresponding examples in List-II.

List I: (Organisational Change Components)

P. Structural aspects
Q. Technological changes
R. Physical settings
S. Behavioural changes

List II: (Examples)

1. Ventilations and colouring
2. Automation and new equipment
3. Span of control and job specification
4. Employee values and expectations

(A) P-3, Q-2, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2009

2. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.

Assertion (A): Management should adopt explicit or implicit coercion as a first resort when facing any form of employee resistance.

Reason (R): Resorting to coercion may often vitiate the industrial relations atmosphere in the organisation and should be adopted cautiously.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2023

3. A manager is tasked with implementing a significant structural change. To convey the new policies, the manager relies heavily on detailed emails and written notices, resulting in widespread employee confusion. What communication strategy should the manager have utilized to effectively develop understanding?

(A) Delegating communication entirely to the human resources department
(B) Publishing a comprehensive article in the company's monthly newsletter
(C) Communicating face-to-face with the people affected by the change
(D) Mandating employees to read the updated corporate policy manual

Oct/Nov 2018

4. A bank operates in a competitive environment where a reduction in the Bank Rate forces a corresponding cut in interest rates on advances. Concurrently, sluggish industrial growth keeps credit off-take low. What challenge does the bank face regarding its sustenance?

(A) Excessive accumulation of Non-Performing Assets across the branch network
(B) Immediate intervention and takeover by national regulatory authorities
(C) Margins and spreads becoming thinner, threatening the bottom line
(D) A total freeze on recruitment and necessary internal technology upgrades

May/June 2007

5. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.

Assertion (A): Organisational change efforts are most successful when employees are completely excluded from the decision-making process.

Reason (R): People who participate in decision making tend to be more committed to the outcome of such decisions than those who are not involved.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

6. Due to extensive computerization, a bank finds a portion of its workforce surplus. To make the organisation 'lean' and reduce costs, management introduces a scheme despite union resistance. What is the specific name of this scheme?
(A) Compulsory Redundancy Programme (CRP)
(B) Voluntary Retirement Scheme (VRS)
(C) Accelerated Promotion Scheme (APS)
(D) Mandatory Relocation Framework (MRF)

May/June 2012

7. What is the definition of change management?
(A) A financial restructuring plan intended to reduce an organisation's long-term debt through bond issuance
(B) A systematic approach to change at both the organisational and individual level
(C) A reactive measure taken exclusively to address compliance issues arising from new regulatory changes
(D) A strategy focused entirely on replacing physical infrastructure and upgrading internal technology

Oct/Nov 2014

8. Consider the following statements regarding workforce involvement:
I. Organisational changes thrust on the workforce with little or no warning might be expected to encounter resistance.
II. Employees involved in the change process are better able to understand the need for change.
III. Involvement makes employees more likely to resist the implemented change.
Which of the statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

May/June 2019

9. Which pair identifies the shift in the perspective of banking following economic reforms?
(A) From 'Profitability' to 'Mass banking'
(B) From 'Mass banking' to 'Class banking'
(C) From 'Class banking' to 'Mass banking'
(D) From 'Class banking' to 'Universal banking'

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Oct/Nov 2006

10. Why do graduate courses in business typically include a study of organisational theory?
(A) To strictly enforce the memorization of historical financial trends and global patterns
(B) To prepare students for immediate placement in senior executive roles within major firms
(C) To provide a broad understanding of change efforts, systems, structures, and roles
(D) To ensure compliance with international labour laws and strict industrial safety regulations

May/June 2021

11. What is the primary objective behind a substantial review of existing Systems and Procedures in banks?
(A) To increase the number of administrative tiers within the zonal offices
(B) To centralize all branch operations to zonal offices to ensure oversight
(C) To ensure that special pay carrying posts are unconditionally protected
(D) To eliminate unnecessary tasks without compromising safety and security

Oct/Nov 2010

12. Which of the following modifications is primarily associated with automation and computerisation?
(A) Changes in human relations
(B) Changes in physical settings
(C) Changes in technology
(D) Changes in employee values

May/June 2005

13. During a massive computerization drive in an industry, employees feared the change would place them at a disadvantageous position in terms of their career. Management successfully overcame this by offering one advance increment. Which technique does this scenario most accurately demonstrate?

(A) Offering appropriate incentives or special benefits
(B) Utilizing widespread education and group communication
(C) Applying explicit coercion to ensure rapid compliance
(D) Facilitating participation in the decision-making stage

Oct/Nov 2022

14. How is resistance to change accurately defined?
(A) An inherent flaw in an organisation's technological framework
(B) A deliberate sabotage of corporate assets by competing firms
(C) Any obstacle that becomes an impediment to implementing change
(D) A continuous improvement strategy embedded in human resources

May/June 2018

15. Consider the following statements regarding structural adjustments in banking human resources:
I. Revamping of HR Policies includes Recruitment, Salary Packages, and Training & Development.
II. The abolition of centralised service recruitment boards.
III. The abolition of recruitment boards removes autonomy from individual banks.
IV. Banks infuse new talent based on local requirements through autonomous sources.
Which of the statements are correct?
(A) I, II and IV only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

Oct/Nov 2016

16. Which core approach is essential for adapting to, controlling, and effecting change?
(A) A proactive approach
(B) A defensive approach
(C) A standardized approach
(D) A hierarchical approach

May/June 2014

17. Consider the following measures often initiated to enhance operational efficiency in banking:
I. Gradual reduction in Bank Rate
II. Substantial cut in CRR in phases
III. Deregulation of interest rates
IV. Evolving Asset Liability Management (ALM)
V. Laying more emphasis on recovery of loans
Which combination of these measures is typically taken to enhance operational efficiency?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III, IV and V only
(D) I, II, III, IV and V

Oct/Nov 2007

18. What does significant organisational change primarily entail?
(A) Changing the strategy, removing a major section, or changing how the organisation operates
(B) Modifying minor day-to-day administrative routines without altering overarching corporate goals
(C) Periodically updating internal communication software used by the human resources department
(D) Conducting routine performance appraisals for middle-level management staff across all divisions

May/June 2025

19. Which of the following is NOT one of the six common techniques recognized for overcoming resistance to change?
(A) Coercion - Both Explicit and Implicit
(B) Agreement & Negotiation
(C) Support and Facilitation
(D) Mandatory Financial Penalties

Oct/Nov 2019

20. Consider the following techniques for managing resistance to change:
I. Widespread Education and Improving Communication
II. Facilitating Participation and involvement
III. Support and Facilitation
IV. Agreement & Negotiation
V. Co-optation & Manipulation
Which of the above techniques are recognized for overcoming resistance?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III, IV and V only
(D) I, II, III, IV and V

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May/June 2009

21. Which of the following statements about the emerging HR scenario in the banking industry is incorrect?
(A) There is a drastic cut in manpower by way of Voluntary Retirement Schemes.
(B) There is horizontal loading of jobs through job-enlargement without extra compensation.
(C) Posts under retirement schemes are filled by fresh mass recruitments.
(D) Perquisites, benefits, and welfare facilities are realigned based on the profitability of banks.

Oct/Nov 2011

22. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): Organisations should dwell upon bringing about periodical changes required in physical settings and facilities.
Reason (R): Studies in Industrial Psychology and Organisational Behaviour reveal that physical facilities like building design and space configurations influence employee productivity.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

23. A business leader is attempting to guide a change effort by identifying current priorities and setting goals, and subsequently action planning how to address those priorities. This specific approach represents working from:
(A) The future to the present
(B) The external environment to the internal environment
(C) The top of the hierarchy to the bottom
(D) The present to the future

Oct/Nov 2024

24. What concept became the primary focus in the banking world following financial sector reforms?
(A) Social restructuring
(B) Entry barrier reinforcement
(C) Centralized operations
(D) Profitability

May/June 2017

25. An organisation faces dogmatic resistance from a trade union because the union was not involved in the initial change decision. To satisfy their ego needs and secure acceptance, management decides to give the resisting union leaders a key role in the change decision process. Which strategy is management adopting?
(A) Support and Facilitation
(B) Co-optation
(C) Implicit Coercion
(D) Widespread Education

Oct/Nov 2005

26. Consider the following statements regarding 'Organisational Change':
I. It is the modification in any or all the internal environment of the organisation like structure, technology, physical settings, and human resources.
II. Organisational redesign includes modification in various tiers of structural hierarchy, division of tasks, and decentralisation of authority.
Which of the statements is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

May/June 2020

27. To adapt to heightened competition, banks have begun exploring new areas and innovative business opportunities. Which of the following is a recognized area of such exploration?
(A) Universal Banking and Tele-banking
(B) Discontinuing ATM installations
(C) Reinstating stringent entry barriers for foreign entities
(D) Abolishing the concept of Profitability

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Oct/Nov 2015

28. Which of the following statements regarding organisational change is incorrect?
(A) Organisational change should be conducted for the sake of change.
(B) Change management entails thoughtful

planning and sensitive implementation.
(C) Change should rarely be forced on people; it must be gradual and well planned.
(D) Organisational change efforts should be geared to improve the performance of organisations and their people.

May/June 2013

29. Match the strategic context in List-I with the corresponding response in List-II.
List I: (Strategic Context)
P. Lack of information leading to resistance
Q. Need for commitment to outcomes
R. Resistance due to disadvantageous career position
S. Resisting groups demanding a key role to satisfy ego
List II: (Response Strategy)
1. Offering appropriate incentives
2. Strategy of co-optation
3. Widespread Education and Communication
4. Facilitating Participation
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2021

30. Which pair of researchers is associated with the six crucial techniques for overcoming resistance to change?
(A) Kotter and Ulrich
(B) Sloan and Schlesinger
(C) Hay and McBer
(D) Kotter and Schlesinger

May/June 2024

31. Which benchmarking effort stage is recognized for providing a comprehensive body of knowledge on change management trends?
(A) The fourth benchmarking effort
(B) The fifth benchmarking effort
(C) The sixth benchmarking effort
(D) The seventh benchmarking effort

Oct/Nov 2008

32. Consider the following abilities validated for successful change agents:
I. Diagnose problems
II. Build relationships with clients
III. Set a Leadership Agenda
IV. Implement Plans to Achieve Change Goals
Which combination reflects the abilities required by a change agent?
(A) I, II and III only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

May/June 2006

33. Consider the following recent initiatives taken by banks to enhance operational efficiency:
I. Instituting Call Centers
II. Selling third party products like Insurance Policies
III. Reverting to manual ledger systems for enhanced security
Which combination of statements represents actual change management initiatives in banks?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

Oct/Nov 2017

34. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): Senior managers and directors responsible for managing organisational change generally fear change as much as the rest of the staff.
Reason (R): The chief insecurity of most staff is change itself, as they find it deeply disturbing and threatening.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

35. The primary benefit of tracking, managing, and prioritizing competing initiatives?
(A) It achieves effective management of the portfolio of change.
(B) It completely eliminates the need for a dedicated change management group.
(C) It ensures that change saturation never occurs.

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(D) It replaces the standard change management approach entirely.

Oct/Nov 2013

36. Arrange the various phases in implementing planned change in the correct chronological order:

I. Creating acceptance and continuity for new behaviors and evaluating performance
II. Creating a felt need for change among the workforce (preparatory stage)
III. Actual change is initiated and carried out by seeking cooperation

(A) II, I, III
(B) I, II, III
(C) II, III, I
(D) III, II, I

May/June 2015

37. Consider the following statements regarding changing work cultures in banks:

I. Banks are striving to inculcate a renewed work culture that breeds high productivity.
II. This culture encourages voluntary sharing of jobs and an environment free from restrictive practices.

Which of the statements is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2012

38. Which type of consulting group typically identifies change management as increasingly important and specialises in the competency field?
(A) Prosci
(B) Ulrich Associates
(C) Sloan Corporation
(D) Hay/McBer group

May/June 2011

39. Consider the following key factors for successful implementation:

I. Demonstrated senior management commitment is essential for pressure for change.
II. Capacity for change requires providing time and finance.
III. Action and performance exclude the necessity of keeping communication channels open.

Which of the statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

Oct/Nov 2020

40. Consider the following trends identified in modern change management research:

I. A greater recognition of the need for change management as a contributor to ROI
II. Use of methodology and tools
III. Change saturation
IV. Establishment of a change management group
V. Management of the portfolio of change

Which combination represents these identified trends?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III, IV and V only
(D) I, II, III, IV and V

May/June 2022

41. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): In the first phase of planned change, management should strive to minimize expressed resistance through effective communication channels.
Reason (R): People stand at the heart of change and may tend not to change their established habits even when circumstances warrant.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

42. Which of the following is identified as a top trend in change management benchmarking research?
(A) A reduced recognition of the need for change management systems
(B) Decreasing the dedication of resources for

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change management efforts
(C) Building competency through more knowledge and training opportunities
(D) Avoiding any form of integration with existing project management

May/June 2016

43. During a corporate merger, a change agent encounters severe pushback loaded with emotional and political dynamics. The agent must possess the insight to recognise the issue and the courage to take honest measures. Which specific ability is being utilized?
(A) Build relationships with clients
(B) Solve Problems
(C) Diagnose problems
(D) Ensure that the Vision is Articulated

Oct/Nov 2018

44. What is a fundamental responsibility of an employee regarding change in the organisation?
(A) To autonomously manage the change process for their department
(B) To interpret, communicate, and enable the structural transitions
(C) To design the strategic vision and implement training programs
(D) To do their best, which depends on factors like health, maturity, and experience

May/June 2023

45. An industrial strike occurs in a manufacturing plant, prompting management to spontaneously declare a lock-out without any prior strategic preparation. What type of change does this represent?
(A) Pro-active Change
(B) Planned Change
(C) Unplanned Change
(D) Structural Redesign

Oct/Nov 2009

46. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): The functioning of unions in the banking industry may see the emergence of the theory of 'Survival of the fittest'.
Reason (R): There is a sudden shift in the industrial relations policy of banks and a resolve to reform labour laws to keep pace with the rest of the economy.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

47. Which of the following statements accurately reflects the impact of quick change?
(A) Quick change guarantees long-term sustainability and employee satisfaction within most firms.
(B) Quick change prevents consultation and involvement, creating time-consuming difficulties.
(C) Quick change allows for maximum consultation and widespread involvement of the workforce.
(D) Quick change eliminates all forms of emotional and political dynamics in the organisation.

Oct/Nov 2025

48. Which of the following is NOT a recognized trend in modern change management practices?
(A) Integration with project management
(B) Elimination of the change management group
(C) Standard change management approach
(D) Application on projects sought out and brought in

May/June 2012

49. Successful organisational change on any significant scale can be attributed to the right strategy and appropriate change in organisation culture. What does culture change heavily rely on?
(A) Aligned and supportive people policies, systems, and processes
(B) Unplanned spontaneous shifts in the internal structural hierarchy
(C) Bypassing the HR function during the strategy implementation phase
(D) Increasing entry barriers for local and international competitors

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Oct/Nov 2014

50. Consider the following statements regarding the manager's role in managing change:

I. The manager's role is increasingly to interpret, communicate, and enable.

II. The manager's role is solely to instruct and impose changes upon the staff.

Which of the statements is/are correct?

(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

May/June 2019

51. Consider the following statements regarding the preparatory stage of planned change:

I. The management has to create a felt need for change among the workforce.

II. Management should help employees realize that present behaviors and attitudes are not sufficient to survive in the future.

Which of the statements is/are correct?

(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2006

52. Which pair correctly matches the banking initiative with its intended outcome?

(A) Computer literacy drive - Eliminating the total need for human resources
(B) Horizontal loading of jobs - Immediate financial bonuses for all branch staff
(C) Broadening disclosure norms - Protecting defaulters' identities from the public
(D) Evolving special incentives - Rejuvenating the rank and file for efficiency

May/June 2021

53. An organisation launches five major software implementations simultaneously. Employees begin to show signs of extreme fatigue and confusion, severely impacting daily operations. According to change management principles, which specific phenomenon is this organisation experiencing?

(A) Competency building
(B) Application on projects
(C) Change saturation
(D) Methodology integration

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Oct/Nov 2010

54. A change agent conducts training sessions to ensure employees can not only handle the current software upgrade but are also equipped with skills to adapt to future technological shifts. Which two important contributions is the agent making?

(A) Decreasing capacity for change and maximizing pressure on individuals
(B) Setting a leadership agenda and managing a complex portfolio of change
(C) Enabling effectiveness during change and future management ability
(D) Co-opting resistant leaders and coercing compliance through strict rules

May/June 2005

55. Match the specific abilities of a successful change agent in List-I with their corresponding descriptions in List-II.

List I: (Change Agent Abilities)

P. Diagnose problems
Q. Ensure that the Vision is Articulated
R. Set a Leadership Agenda
S. Solve Problems

List II: (Descriptions)

1. Understand dynamics, history and competencies of the leadership team
2. Recognise the problem and navigate emotional/political dynamics
3. Understand business drivers to identify performance issues
4. Interpret the hopes and motivations of the workforce

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2022

56. A commercial bank decides to restructure its organisational hierarchy. During this process, it sheds certain administrative tiers, such as regional or zonal offices. What is the action taken regarding the excess staff from these tiers?

(A) They are relocated to branches to man front line operations
(B) They are permanently assigned to administrative research units
(C) They are immediately terminated without any form of compensation
(D) They are transferred exclusively to the IT

support department

May/June 2018

57. How is 'Unplanned Change' defined?
(A) Change which occurs spontaneously or in a random manner
(B) Change effected in a planned manner after assessing the need
(C) Change resulting from a deliberate pro-active anticipation of environmental factors
(D) Change strictly coordinated through a responsibility chart

Oct/Nov 2016

58. Which pair of change management trends and its description is incorrectly matched?
(A) Integration with project management - Separating all methodologies
(B) Standard change management approach - Sends strong message and increases consistency
(C) Change saturation - Feeling the consequences of having too much change occurring
(D) Dedication of resources - Assigned on projects and identified in organisations

May/June 2014

59. Match the key factors for successful implementation of change in List-I with their descriptions in List-II.
List I: (Factors for Implementation)
P. Pressure for change
Q. A clear, shared vision
R. Capacity for change
S. Action and performance
List II: (Descriptions)
1. Providing the resources: time and finance
2. "Plan, do, check, act" - keeping communication channels open
3. Demonstrated senior management commitment
4. A shared agenda that benefits the whole organisation
(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-1, R-2, S-3
(D) P-1, Q-2, R-4, S-3

Oct/Nov 2007

60. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): Managements normally choose the HR manager as the change agent.
Reason (R): HR managers have proximity to the people and a responsibility to facilitate and enable change.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

61. Consider the following actions required in the last phase of the change process:
I. Creating acceptance for new behaviors and attitudes
II. Creating continuity for work processes
III. Providing necessary human resource support
IV. Providing necessary financial resource support
V. Providing motivation through performance-linked rewards
Which combination ensures the planned change stabilizes as fast as possible?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III, IV and V only
(D) I, II, III, IV and V

Oct/Nov 2019

62. Which of the following statements incorrectly describes a feature of Responsibility Charting?
(A) It is a decision matrix with stakeholders listed vertically and tasks horizontally
(B) It is a foundation for sound delegation.
(C) It is a short-hand language for communication about roles and responsibilities.
(D) It is a basis for holding people accountable for their roles in specific decisions and tasks.

May/June 2009

63. Management proposes a change where the internal survey reveals that the forces in favor of the change vastly outnumber and overpower the forces resisting it. What is the recommended management action?

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(A) Use favoring forces to implement the initiative
(B) Postpone the change programme to a later date
(C) Convert the favoring forces into resisting forces
(D) Abandon the planned change project entirely

Oct/Nov 2011

64. A newly designed responsibility chart reveals that the project director is solely responsible for 90% of the listed tasks. What negative impact does this scenario create?
(A) It decreases administrative costs but increases technological faults.
(B) It promotes employee ownership but confuses external agencies.
(C) It causes director burnout and prevents others from developing
(D) It fulfills short-term wins but violates modern change management trends.

May/June 2010

65. Match the subsequent steps for successful change in List-I with their corresponding actions in List-II.
List I: (Steps for Successful Change)
P. Empower action
Q. Create short-term wins
R. Don't let up
S. Make change stick
List II: (Actions)
1. Encourage ongoing progress reporting and highlight future milestones
2. Reinforce value via recruitment, promotion, and new change leaders
3. Remove obstacles and enable constructive feedback
4. Set aims that are easy to achieve in bite-size chunks
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2024

66. In what manner should Responsibility Charting ideally be utilized to encourage exploration and action learning?
(A) In an interactive and participatory way
(B) In a highly bureaucratic manner that precludes participation
(C) As an isolated task completed solely by the human resources manager
(D) As a punitive measure to track employee failures

May/June 2017

67. Consider the following actions taken during a change process:
I. Identifying new and more effective ways of doing things
II. Choosing appropriate changes in tasks, people, culture, technology and structure
III. Taking appropriate steps to put changes into action
IV. Seeking and enlisting cooperation and support
These actions are characteristic of which phase of implementing planned change?
(A) The preparatory phase
(B) The change initiation phase
(C) The evaluation phase
(D) The stabilization phase

Oct/Nov 2005

68. Which of the following describes a structural change where activities are divided into functions like engineering, production, and sales, with decentralised administration?
(A) Centralizing administration and removing all technical staff members
(B) Dividing activities into functions and decentralising administration
(C) Focusing entirely on a single field to expand all regional operations
(D) Implementing downsizing schemes to reduce total operational expenses

May/June 2020

69. Which of the following is NOT a key element of Responsibility Charting?
(A) External competitive market threats
(B) Decisions or tasks
(C) Stakeholders
(D) Level of participation

Oct/Nov 2015

70. Which of the following books are widely recognized for their focus on leading and the 'heart' of successful change management?
(A) 'Principles of Management' and 'The Heart of Change'

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(B) 'Leading Change' and 'Organisational Theory'
(C) 'Leading Change' and 'The Heart of Change'
(D) 'The Heart of Change' and 'Personal Change Theory'

May/June 2013

71. When identifying tasks during a responsibility chart exercise, what is the recommended limit for the list of items?
(A) Not more than 10 items
(B) Not more than 20 items
(C) Exactly 50 items
(D) Unlimited items to ensure thoroughness

Oct/Nov 2021

72. In a critical and expedient change initiative, the resisting forces are significantly stronger than the favoring forces. Despite best efforts, management fails to convert the resisting groups. Considering the change is essential for the organisation's survival, what action may management take?
(A) Revert to the old operational methods permanently
(B) Proceed with change and prepare for unrest
(C) Exclusively utilize horizontal loading of jobs
(D) Abolish the HR department to reduce friction

May/June 2024

73. What is 'Responsibility Charting' defined as?
(A) A strict financial audit tool used to calculate profit margins across divisions
(B) A mandatory legal framework for negotiating with international trade unions
(C) A software program for tracking employee attendance and leave requests
(D) A technique for resolving process ambiguities through collaboration

Oct/Nov 2008

74. A change leader deliberately sets aims that are manageable and easy to achieve, ensuring that current stages are finished before starting new ones. Which step of a standard change model is the leader executing?
(A) Empower action
(B) Build the guiding team
(C) Create short-term wins
(D) Make change stick

May/June 2006

75. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): The responsibility chart itself could be shared and approved by the various committees and boards.
Reason (R): Responsibility Charting engages a group of stakeholders to reach consensus on how decisions ought to be made.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

76. Before executing a plan of change, management conducts an assessment to identify which unions favor the initiative and which oppose it. Why is this assessment imperative?
(A) Because management must immediately terminate all opposing employees within the branch network
(B) Because it is required by regulatory bodies under newly established corporate disclosure norms
(C) Because the change agent must delegate the execution entirely to the resisting union's leaders
(D) Because change implementation often fails without the agreement of major resisting forces

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May/June 2008

77. While reviewing a responsibility chart, a cross-functional team notices an overwhelming number of "Don't knows" coded across multiple tasks. According to chart analysis principles, what does this indicate?
(A) The project is complete and ready for launch.
(B) A highly effective delegation of duties.
(C) That stakeholders are ready to assume full ownership.
(D) The need for more structural and procedural specification.

Oct/Nov 2013

78. What happens if the stage involving proper feedback and follow-up measures to evaluate the performance of the change process is neglected?
(A) The change process will automatically stabilize faster
(B) Resistance to change will permanently disappear
(C) The organisation will immediately achieve universal status
(D) The very purpose of change will be defeated

May/June 2015

79. Consider the following uses of Responsibility Charting:
I. Identify individual and team roles and inter-relationships.
II. Clearly state procedural specification of individual and team and set time frames.
III. Understand and clarify roles and expectations.
IV. Improve accountability, delegation, communication and teamwork.
Which combination is correct?
(A) I, II and III only
(B) II, III and IV only
(C) I, III and IV only
(D) I, II, III and IV

Oct/Nov 2012

80. Which of the following is NOT one of the eight common steps to successful change?
(A) Build the guiding team
(B) Increase urgency
(C) Empower action
(D) Centralizing all authority levels

May/June 2011

81. A manager decides to draft a responsibility chart without consulting any team members and imposes it upon the department. What is the likely result?
(A) It will produce a clear picture of interrelated roles through consensus.
(B) It creates bureaucratic usage that diminishes the tool's value
(C) It perfectly aligns with the step of building a guiding team.
(D) It encourages exploration and collaborative action learning.

Oct/Nov 2020

82. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): If management fails to convert resisting forces, they must always immediately abandon the planned changes regardless of circumstances.
Reason (R): Management may postpone the change programme to a more appropriate time if the resisting forces are stronger and cannot be converted.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

83. Match the steps for successful change in List-I with their corresponding actions in List-II.
List I: (Steps for Successful Change)
P. Increase urgency
Q. Build the guiding team
R. Get the vision right
S. Communicate for buy-in
List II: (Actions)
1. Establish a simple vision and strategy
2. De-clutter communications and make technology work for you
3. Inspire people to move, make objectives real
4. Get the right people with the right emotional commitment
(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2023

84. Match the analysis questions of a Responsibility Chart in List-I with their underlying implications in List-II.
List I: (Analysis Questions)
P. Too many "Don't knows"
Q. Project directors have too many responsibilities
R. Sufficient level of collaborative participation
S. "Cluster" various tasks/decisions

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List II: (Implications)
1. Sets up for "burnout" and prevents fullest development of others
2. Promotes "ownership" of decisions
3. Indicates the need for more structural and procedural specification
4. Categorized according to planning, policy, implementation and administration

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2016

85. Consider the following statements regarding organisational structural changes in a modern health services organisation:
I. The organisation created several divisions keeping in view its products and services it wishes to market.
II. The organisation appointed chosen leaders in the health field to provide leadership.
Which of the statements is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2018

86. A proposed change faces a situation where the groups favoring the change and the groups resisting it are exactly equal in strength and influence. What strategy should management employ?
(A) Immediately resort to explicit coercion to force the group to adopt new technological standards
(B) Boost favoring forces and convert resisting ones through communication
(C) Accept the deadlock and cancel the change initiative permanently across the entire organisation
(D) Shift the responsibility of managing the change effort to the individual employee level alone

May/June 2023

87. Consider the following questions that can be addressed by a review of the codes in a Responsibility Chart:
I. How can one use the structure to promote higher levels of participation?
II. Can one "cluster" various tasks according to administrative categories?
III. What other agencies or organisations should be kept informed?
Which of the statements represent valid analysis questions?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

Oct/Nov 2009

88. Arrange the first four steps of a standard model for successful change in the correct sequence:
I. Get the vision right
II. Build the guiding team
III. Communicate for buy-in
IV. Increase urgency
(A) IV, II, I, III
(B) II, IV, I, III
(C) I, II, III, IV
(D) IV, I, II, III

May/June 2007

89. Which element determines the depth of involvement a stakeholder has in a specific decision within a Responsibility Chart?
(A) The physical layout of the office space and equipment
(B) The level of participation in each decision or task
(C) The total financial compensation of the stakeholder
(D) The historical chronological age of the organisation

Oct/Nov 2025

90. To weave a newly implemented customer service protocol permanently into the corporate culture, management decides to promote employees who champion the new protocol and recruit new staff based on their alignment with it. Which step is being applied?
(A) Make change stick
(B) Communicate for buy-in
(C) Don't let up
(D) Increase urgency

May/June 2012

91. Which of the following is NOT an instruction step provided for a Responsibility Charting Exercise?

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(A) Identify Tasks
(B) Eliminate Resisting Stakeholders
(C) Create a Chart
(D) Discuss the Answers

Oct/Nov 2014

92. Which pair correctly identifies an 'Education/ Training Responsibility' within an organisational exercise?
(A) Setting up the meeting room
(B) Helping the group when it's stuck
(C) Teaching project management skills
(D) Leading warm-ups

May/June 2019

93. Consider the following examples of responsibilities:
I. Sending out meeting material, agendas, and minutes
II. Facilitating meetings
III. Maintaining files
IV. Leading the meeting critique
V. Plotting charts
Which combination consists solely of 'Meeting Responsibilities' as listed in standard responsibility charting?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III, IV and V only
(D) I, II, III, IV and V

Oct/Nov 2006

94. Consider the following statements summarizing standard steps for successful change:
I. Increasing urgency inspires people to move.
II. Building a guiding team aims to get the right people with emotional commitment.
III. Empowering action removes obstacles.
IV. Creating short-term wins sets aims in bite-size chunks.
V. Making change stick reinforces value via recruitment and promotion.
Which combination accurately represents these steps?
(A) I, II, III and IV only
(B) II, III, IV and V only
(C) I, III, IV and V only
(D) I, II, III, IV and V

May/June 2021

95. The following question consists of two statements: an Assertion (A) and a Reason (R). Read the statements and select the correct answer using the options provided.
Assertion (A): During the discussion phase of a charting exercise, the team should not move to the next item until consensus is reached on who is responsible.
Reason (R): Rushing through the matrix without consensus prevents a clear understanding of interrelated roles and diminishes accountability.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

96. Which of the following pairs of responsibility categories and their examples is incorrectly matched?
(A) Meeting Responsibilities - Containing digression and monopolising
(B) Maintaining the picture book format - Meeting Responsibilities
(C) Education/Training Responsibilities - Teaching statistical tools
(D) Project Responsibilities - Gathering data

May/June 2005

97. Which of the following statements incorrectly summarizes concepts related to managing change?
(A) Responsibility charting creates harmful process ambiguities
(B) Resistance to change and responsibility for managing change are common.
(C) The change agent is often preferred from the HR department.
(D) Managing change effectively is important for continuous growth.

Oct/Nov 2022

98. Consider the following statements regarding the assignment of responsibilities in a chart exercise:
I. You can decide to rotate a responsibility between people or groups.
II. You must clearly set down procedures for how and when to switch the rotated responsibility.

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III. Rotating a responsibility is strictly prohibited to maintain clear accountability.

Which of the statements is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II and III

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May/June 2018

99. While working through a responsibility chart, a team is instructed to mark the columns representing who they think is responsible. What specific visual aid is recommended to simplify later discussion?

(A) Using identical black ink for all entries in the chart
(B) Using digital spreadsheets exclusively for all members
(C) Erasing marks immediately after placing them on the page
(D) Having each member use a different color marker

Oct/Nov 2016

100. What does adopting a standard change management approach primarily accomplish?

(A) It encourages unstructured exploration and action learning.
(B) It guarantees the immediate elimination of union resistance.
(C) It shifts the entire burden of managing change onto employees.
(D) It sends a strong message and increases consistency

ANSWERS

1. (A) P-3, Q-2, R-1, S-4
Organizational change involves various components that modify the internal environment. Structural aspects include the span of control and job specifications. Technological changes involve automation and new equipment. Physical settings encompass the working environment like ventilation and coloring. Behavioral changes focus on shifting employee values and expectations to align with new objectives and culture, ensuring a holistic transition for the organization.

2. (D) Assertion (A) is false, but Reason (R) is true.
Coercion should never be the first resort for managing employee resistance because it creates a negative industrial relations climate. While it might force compliance in the short term, it often leads to resentment and long-term conflict. Management should instead prioritize communication and participation to build genuine support for change, using coercion only as a final, extremely cautious measure.

3. (C) Communicating face-to-face with the people affected by the change
Relying solely on written communication like emails or notices often leads to misunderstandings during significant structural transitions. Face-to-face communication is the most effective strategy for developing understanding because it allows for two-way dialogue. This approach enables managers to address specific concerns directly, clarify ambiguities immediately, and observe non-verbal cues, fostering trust and reducing widespread employee confusion.

4. (C) Margins and spreads becoming thinner, threatening the bottom line
When a competitive environment forces a reduction in interest rates while credit off-take remains low due to sluggish growth, banks face a severe financial squeeze. The difference between interest earned on advances and interest paid on deposits narrows significantly. This reduction in margins and spreads directly threatens the bank's profitability and long-term sustenance within the volatile financial market.

5. (D) Assertion (A) is false, but Reason (R) is true.
Organizational change efforts are rarely successful when employees are excluded from decision-making. Participation is crucial because people who are involved in the process tend to be more committed to the eventual outcomes. Involvement helps individuals understand the necessity of change, reduces fear of the unknown, and fosters a sense of ownership, which is essential for successful implementation.

6. (B) Voluntary Retirement Scheme (VRS)
To achieve a lean organizational structure and reduce operational costs following extensive computerization, banks often introduce a Voluntary Retirement Scheme. This program allows employees to opt for early retirement with financial benefits. It is a strategic tool used to manage surplus workforce issues while minimizing the industrial friction that typically accompanies mandatory redundancies or compulsory staff reduction programs.

7. (B) A systematic approach to change at both the organisational and individual level
Change management is defined as a systematic approach that addresses transitions at both the organizational and individual levels. It involves utilizing structured methods and tools to ensure that changes are implemented smoothly and successfully. By focusing on how individuals adapt to new processes and how the organization shifts its overall strategy, it ensures long-term sustainability and performance improvement.

8. (A) I and II only
Workforce involvement is critical for successful change. Changes forced upon employees without warning typically encounter significant resistance. Conversely, when employees are involved in the process, they are better equipped to understand the necessity of the transition. Higher involvement actually decreases the likelihood of resistance because it builds trust

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and allows employees to contribute to the new operational framework.

9. (B) From 'Mass banking' to 'Class banking'
Following economic reforms, the banking industry shifted its primary focus from social objectives to financial viability. This transition is characterized as moving from mass banking, which prioritized widespread reach regardless of cost, to class banking, which focuses on profitability and targeted services. This shift emphasizes efficiency, asset quality, and the bottom line to ensure sustainability in a competitive environment.

10. (C) To provide a broad understanding of change efforts, systems, structures, and roles
Graduate business courses include organizational theory to equip students with a comprehensive understanding of how companies function. This study explores the complex relationships between organizational structures, internal systems, and individual roles. It provides the foundational knowledge necessary to manage change effectively, allowing future managers to design efficient processes and navigate the dynamics of modern corporate environments.

11. (D) To eliminate unnecessary tasks without compromising safety and security
Banks undertake substantial reviews of existing systems and procedures primarily to enhance operational efficiency. The goal is to identify and eliminate redundant or unnecessary tasks that consume time and resources. This streamlining process must be done carefully to ensure that the core safety and security of banking operations are maintained, ultimately resulting in a more responsive organization.

12. (C) Changes in technology
Automation and computerization are fundamental examples of changes in technology within an organization. These modifications involve the introduction of new equipment, software, and digital processes to replace or enhance manual tasks. While technological shifts can influence human relations or employee values, the primary classification for such hardware and software upgrades remains within the technological component of organizational change.

13. (A) Offering appropriate incentives or special benefits
When employees fear that organizational change will negatively impact their careers, management can overcome resistance by offering tangible rewards. Providing an advance increment serves as a special benefit that compensates for the perceived disadvantage. This technique aligns the interests of the employees with the organization's goals, facilitating a smoother transition during major initiatives like a massive computerization drive.

14. (C) Any obstacle that becomes an impediment to implementing change
Resistance to change is accurately defined as any obstacle or barrier that impedes the successful implementation of new processes, structures, or technologies. It can manifest in various forms, ranging from passive hesitation to active sabotage. Recognizing and managing these impediments is a core task of change management, as they represent the emotional, political, or structural friction within an organization.

15. (A) I, II and IV only
Structural adjustments in banking human resources involve revamping recruitment and training policies. The abolition of centralized recruitment boards was a key reform measure. This change actually provides individual banks with greater autonomy rather than removing it. Consequently, banks can now infuse new talent based on their specific local requirements through autonomous sources, allowing for more flexible and responsive workforce management.

16. (A) A proactive approach
A proactive approach is essential for successfully adapting to, controlling, and effecting change within an organization. Instead of merely reacting to external environmental pressures after they occur, a proactive strategy involves anticipating future trends and initiating necessary adjustments in advance. This foresight allows management to stay ahead of competition, minimize disruption, and steer the organization toward long-term growth.

17. (D) I, II, III, IV and V
Enhancing operational efficiency in banking requires a comprehensive set of measures.

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These include financial adjustments like reducing the Bank Rate and CRR, along with the deregulation of interest rates. Additionally, internal management practices like Asset Liability Management and a strong emphasis on loan recovery are vital. Together, these strategies optimize resource utilization and strengthen the bank's overall financial health.

18. (A) Changing the strategy, removing a major section, or changing how the organisation operates

Significant organizational change goes beyond minor routine updates. It involves fundamental shifts in the organization's core strategy, the removal or addition of major divisions, or substantial changes in operational methods. Such transformations are intended to align the organization with its long-term goals and external environmental demands, profoundly impacting the overall structure and culture of the entire firm.

19. (D) Mandatory Financial Penalties

Standard techniques for overcoming resistance to change include coercion, negotiation, and facilitation. These methods focus on communication, participation, and support to ease the transition. Mandatory financial penalties are not recognized as a standard change management technique. Instead, punitive measures generally increase resentment and long-term resistance, undermining the collaborative atmosphere necessary for successful and sustainable organizational transformation efforts.

20. (D) I, II, III, IV and V

Overcoming resistance to change requires a diverse toolkit of techniques. Management can utilize education and communication, encourage participation, and provide support and facilitation. In some cases, negotiation or co-optation may be necessary to gain buy-in. While coercion is a last resort, all five techniques are recognized strategies that managers can apply depending on the specific nature of the resistance encountered.

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21. (C) Posts under retirement schemes are filled by fresh mass recruitments.

The emerging human resource scenario in banking focuses on creating leaner organizations. Management often implements Voluntary Retirement Schemes to reduce manpower and realign benefits with profitability. Horizontal job loading is used to expand roles without extra pay. Crucially, the goal of these retirement schemes is to decrease total headcount, so filling those same posts with fresh mass recruitments is incorrect.

22. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

Organizations should periodically update their physical settings and facilities because these elements significantly influence employee productivity. Building design and space configurations affect how employees interact and perform their tasks. Insights from industrial psychology confirm that the physical environment is a key determinant of organizational behavior, justifying management's focus on maintaining and improving workspace facilities to enhance overall performance.

23. (D) The present to the future

When a business leader identifies current priorities and sets goals based on those priorities, they are working from the present to the future. This approach involves analyzing the existing situation and creating an action plan to reach a desired future state. It is a fundamental planning method that builds upon current organizational realities to achieve specific, long-term strategic objectives.

24. (D) Profitability

Following financial sector reforms, profitability became the primary focus in the banking world. Previously, banks were often evaluated based on social objectives and physical expansion. The reforms shifted this perspective toward financial health, efficiency, and competitive performance. This focus on the bottom line ensures that banks remain viable, sustainable, and capable of meeting international standards in a deregulated market.

25. (B) Co-optation
Co-optation is a strategy where management gives resisting leaders a key role in the change process to secure their acceptance. By involving them in decision-making, management satisfies their ego needs and reduces opposition. This technique is often used when a group has the power to block change, turning potential enemies into participants who have a stake in the success.

26. (C) Both I and II
Organizational change represents a comprehensive modification of the internal environment, including structure, technology, physical settings, and human resources. Redesign specifically focuses on structural elements like hierarchy, task division, and authority decentralization. Both statements accurately describe the scope of organizational change, highlighting how management must address multiple interconnected facets to successfully adapt the firm to new operational or environmental requirements.

27. (A) Universal Banking and Tele-banking
To stay competitive, banks are expanding into innovative areas like universal banking and tele-banking. Universal banking allows banks to offer a wide range of financial services, while tele-banking leverages technology for customer convenience. These explorations represent a departure from traditional banking models, reflecting a change management effort to adapt to customer demands and the evolving technological landscape of finance.

28. (A) Organisational change should be conducted for the sake of change.
Organizational change should never be conducted just for the sake of change. Effective transitions must be goal-oriented, aimed at improving the performance of the organization and its people. Change management requires thoughtful planning and sensitive implementation to be successful. Forcing change on people without a clear purpose or plan often leads to unnecessary resistance and organizational instability rather than improvement.

29. (A) P-3, Q-4, R-1, S-2
Matching strategies to specific resistance contexts is vital for successful change. Education and communication address a lack of information. Participation is used when commitment to outcomes is necessary. Offering incentives helps those who feel they are at a career disadvantage. Co-optation is the appropriate response when resisting groups demand a key role to satisfy their ego and ensure their cooperation.

30. (D) Kotter and Schlesinger
Kotter and Schlesinger are the researchers associated with the six crucial techniques for overcoming resistance to change. These techniques include education and communication, participation and involvement, facilitation and support, negotiation and agreement, manipulation and co-optation, and explicit and implicit coercion. Their framework provides managers with a structured approach to identifying and addressing the various human barriers to organizational transformation.

31. (C) The sixth benchmarking effort
The sixth benchmarking effort is recognized for providing a comprehensive body of knowledge regarding change management trends. These benchmarking studies are essential for identifying best practices and evolving strategies in the field. By analyzing the results of such research, organizations can gain insights into how other successful firms manage transitions, helping them refine their own methodologies and improve implementation outcomes.

32. (D) I, II, III and IV
Successful change agents must possess a combination of critical abilities. They need to diagnose problems accurately and build strong relationships with clients to ensure trust. Setting a clear leadership agenda provides direction, while the ability to implement plans ensures that change goals are actually achieved. These competencies allow the agent to navigate the complexities of organizational transition and ensure sustainability.

33. (A) I and II only
Modern bank change management includes initiatives like instituting call centers and selling third-party products like insurance policies. These efforts enhance operational efficiency and diversify revenue streams. Reverting to manual ledger systems is not a recognized initiative;

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instead, banks are moving toward greater computerization and automation. Strategic shifts toward digital service and product expansion are key to staying competitive in today's market.

34. (D) Assertion (A) is false, but Reason (R) is true.
While staff members often find organizational change deeply disturbing and threatening, it is incorrect to assume that senior managers fear it in the same way. Most staff feel insecure about change itself due to its unpredictable nature. However, leaders and directors are responsible for driving change and usually view it as a strategic necessity rather than a personal threat.

35. (A) It achieves effective management of the portfolio of change.
Tracking, managing, and prioritizing competing initiatives allows an organization to effectively manage its portfolio of change. This systematic oversight ensures that resources are allocated efficiently and that the organization does not become overwhelmed by too many simultaneous projects. By managing the change portfolio, leadership can maintain focus on strategic priorities and ensure that each initiative receives the necessary support.

36. (C) II, III, I
Implementing planned change follows a specific chronological order. It begins with the preparatory stage, creating a felt need for change among the workforce. Next, the actual change is initiated and carried out by seeking cooperation. Finally, management focuses on creating acceptance and continuity for the new behaviors while evaluating performance to ensure the change is successfully stabilized and sustained.

37. (C) Both I and II
Modern banks are actively striving to inculcate a renewed work culture focused on high productivity. This culture encourages the voluntary sharing of jobs and the removal of restrictive practices that hinder efficiency. By fostering an environment where employees are flexible and cooperative, banks can adapt more effectively to the demands of a competitive market and improve overall organizational performance.

38. (D) Hay/McBer group
The Hay/McBer group is a consulting organization that identifies change management as an increasingly important specialization. They focus on the competencies required for effective leadership and organizational transformation. Their research and consulting work emphasize that managing the human and behavioral aspects of change is a distinct field of expertise necessary for organizations to achieve successful and sustainable long-term performance.

39. (A) I and II only
Successful change implementation requires senior management commitment to create pressure for change and the provision of time and finance to build capacity. However, action and performance do not exclude open communication; in fact, keeping communication channels open is essential. Effective implementation depends on a continuous cycle of planning, acting, and communicating to ensure that all stakeholders remain aligned and informed.

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40. (D) I, II, III, IV and V
Modern change management research identifies several key trends. These include recognizing change management's contribution to ROI, the use of structured methodologies and tools, and addressing change saturation. Additionally, the establishment of dedicated change management groups and the management of the overall portfolio of change are recognized as essential practices for organizations navigating complex and frequent transitions in today's business environment.

41. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
During the first phase of planned change, management must use effective communication to minimize resistance. This is because people are the core of the change process and naturally tend to cling to established habits. Effective communication helps employees understand the need for change, addressing their natural tendency to resist even when external circumstances make the transition necessary for survival.

42. (C) Building competency through more knowledge and training opportunities
Benchmarking research identifies building competency as a top trend in change management. Organizations are increasingly focusing on providing more knowledge and training opportunities to their staff and leaders. Developing these internal skills ensures that the workforce can adapt to current changes and is better prepared for future transitions, ultimately enhancing the organization's overall agility and long-term success.

43. (C) Diagnose problems
Diagnosing problems is the ability to recognize underlying issues within an organization, especially when they are complicated by emotional and political dynamics. During a corporate merger, a change agent must have the insight and courage to identify these obstacles truthfully. This diagnostic ability is crucial for developing effective strategies to address the root causes of resistance and ensure a smooth transition.

44. (D) To do their best, which depends on factors like health, maturity, and experience
An employee's fundamental responsibility regarding change is to do their best within the new framework. This performance is influenced by individual factors such as their health, maturity, and prior experience. While managers are responsible for enabling and communicating change, the individual employee contributes by adapting as effectively as possible, supported by the organization's training and facilitation efforts during the transition.

45. (C) Unplanned Change
Unplanned change occurs spontaneously or in a reaction to unexpected events. A spontaneous lock-out declared by management in response to an industrial strike is a clear example of unplanned change. Unlike planned change, which involves systematic assessment and preparation, unplanned transitions are reactive and often lack the strategic framework necessary for smooth and coordinated implementation.

46. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banking unions are operating in an environment where survival of the fittest is increasingly relevant due to economic pressures. This shift occurs because banks are reforming industrial relations policies and labor laws to match global economic standards. These changes force unions to adapt to more competitive and efficiency-driven frameworks, directly linking organizational survival strategies with broader economic reforms and transitions.

47. (B) Quick change prevents consultation and involvement, creating time-consuming difficulties.
Implementing change too quickly often prevents necessary consultation and involvement of the workforce. This lack of participation can lead to significant resistance and misunderstandings, which ultimately create more time-consuming difficulties later in the process. Effective change management generally advocates for a more gradual, well-planned approach that allows employees to adapt and contribute, ensuring more sustainable and successful long-term outcomes.

48. (B) Elimination of the change management group
Modern change management trends emphasize integration with project management, the use of standard approaches, and applying methodologies to diverse projects. The elimination of a change management group is not a recognized trend; rather, many organizations are establishing dedicated groups to oversee transitions. Having a specialized team or group ensures that change efforts are coordinated, consistent, and receive the necessary expert attention.

49. (A) Aligned and supportive people policies, systems, and processes
Culture change within an organization is heavily dependent on aligned and supportive people policies, systems, and processes. Successful significant change requires not just a right strategy, but also a culture that supports it. By ensuring that HR policies and internal systems encourage the desired behaviors, management

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can weave the new culture into the fabric of the organization, ensuring long-term success.

50. (A) I only
In the modern organizational context, a manager's role in managing change is increasingly to interpret, communicate, and enable the transition. Instead of merely instructing or imposing changes, effective managers facilitate the process by helping staff understand the vision and providing the necessary support. This enabling role is crucial for reducing resistance and ensuring that employees are empowered to adopt new ways of working.

51. (C) Both I and II
The preparatory stage of planned change is vital for success. Management must create a felt need for change among the workforce by helping employees realize that current behaviors are insufficient for future survival. This realization motivates staff to accept the transition. Both statements accurately describe the necessary actions in the initial phase, setting the foundation for cooperation and successful implementation.

52. (D) Evolving special incentives - Rejuvenating the rank and file for efficiency
Banking initiatives are designed to achieve specific organizational outcomes. Developing special incentives is a strategy used to rejuvenate the workforce and enhance operational efficiency. Unlike computerization, which aims to improve productivity rather than eliminate human resources entirely, targeted incentives directly motivate employees to support and participate in change efforts. This alignment of interests is essential for successfully navigating major organizational transitions and reforms.

53. (C) Change saturation
Change saturation occurs when an organization implements too many initiatives simultaneously, leading to employee fatigue, confusion, and declining performance. When multiple major software implementations happen at once, staff can become overwhelmed by the constant state of transition. Recognizing and managing saturation is crucial, as it prevents the organization from losing productivity and ensures that each individual change can be successfully absorbed.

54. (C) Enabling effectiveness during change and future management ability
When a change agent provides training that helps employees manage current and future shifts, they are making two important contributions. First, they enable current effectiveness during the transition. Second, they build the organization's future management ability by equipping staff with adaptable skills. This forward-looking approach ensures that the workforce is resilient and capable of handling ongoing technological and structural evolutions.

55. (A) P-3, Q-4, R-1, S-2
Effective change agents must demonstrate specific leadership abilities. Diagnosing problems involves understanding business drivers to identify performance issues. Ensuring an articulated vision means interpreting the workforce's hopes and motivations. Setting a leadership agenda requires understanding the leadership team's dynamics and history. Finally, solving problems necessitates recognizing complex issues and navigating the emotional or political dynamics inherent in any significant and successful organizational transition.

56. (A) They are relocated to branches to man front line operations
When banks restructure and shed administrative tiers like regional or zonal offices, the excess staff is typically relocated to branches. This move allows the bank to strengthen its front-line operations and customer service points. By shifting personnel from administrative roles to direct banking services, the organization becomes leaner and more focused on its core business activities while retaining existing human resources.

57. (A) Change which occurs spontaneously or in a random manner
Unplanned change is defined as any transition that occurs spontaneously or in a random, non-coordinated manner. It often happens in response to sudden external shocks or internal crises that management did not anticipate. Unlike planned change, which is systematic and assessment-based, unplanned change lacks a structured implementation framework, making it more difficult to manage and potentially more disruptive to operations.

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58. (A) Integration with project management - Separating all methodologies
The trend of integrating change management with project management involves merging methodologies, not separating them. Effective integration ensures that the people-side of change is addressed alongside technical project tasks. Other trends include using a standard approach for consistency, addressing change saturation when too much occurs at once, and dedicated resource allocation to ensure that projects receive the necessary specialized attention.

59. (B) P-3, Q-4, R-1, S-2
Successful change implementation depends on several critical success factors. Pressure for change is established through visible senior management commitment. A clear vision provides a shared agenda that benefits the entire organization. Capacity for change involves allocating necessary resources like time and finance. Finally, action and performance require a continuous cycle of planning, doing, and checking while maintaining open communication channels.

60. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Management frequently chooses HR managers as change agents because of their proximity to the people within the organization. HR managers have a professional responsibility to facilitate and enable transitions. Their role in managing employee relations, training, and communication makes them uniquely suited to help staff navigate the complexities of organizational change and ensure that the human aspect of the transition is addressed.

61. (D) I, II, III, IV and V
To stabilize planned change quickly, management must undertake a combination of essential actions. These include creating acceptance for new behaviors, ensuring work continuity, and providing both human and financial resource support. Additionally, offering motivation through performance-linked rewards reinforces the new system. This comprehensive approach ensures that the change is not only implemented but also integrated permanently into the organization's daily operations.

62. (A) It is a decision matrix with stakeholders listed vertically and tasks horizontally
Responsibility charting is a powerful tool for clarifying organizational roles and improving accountability. It serves as a foundation for delegation and provides a short-hand language for communication. However, the standard structure of this decision matrix involves listing tasks and decisions vertically while stakeholders are listed horizontally. Describing the layout with stakeholders listed vertically and tasks horizontally is an incorrect representation of the tool.

63. (A) Use favoring forces to implement the initiative
When an internal survey reveals that forces favoring change vastly outnumber and overpower resisting forces, management should proceed by using those favoring forces to implement the initiative. This positive momentum provides a strong foundation for successful transition. By leveraging the existing support, management can drive the change forward efficiently, while continuing to communicate with any minor resisting elements to ensure overall alignment.

64. (C) It causes director burnout and prevents others from developing
When a responsibility chart shows that a project director is responsible for the vast majority of tasks, it indicates a failure in delegation. This concentration of work leads to director burnout and creates a bottleneck for the project. Furthermore, it prevents other team members from developing their skills and taking ownership, which ultimately weakens the organization's capacity and long-term sustainability.

65. (A) P-3, Q-4, R-1, S-2
Successful change models include specific actions for implementation. Empowering action involves removing obstacles and enabling feedback. Creating short-term wins requires setting bite-size, achievable goals. Not letting up means maintaining momentum through ongoing reporting and future milestones. Finally, making change stick involves reinforcing the new values through permanent processes like recruitment and promotion, ensuring that the transition becomes a permanent part of the culture.

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66. (A) In an interactive and participatory way
Responsibility charting should ideally be used in an interactive and participatory way to encourage exploration and action learning. When stakeholders collaborate to define roles and responsibilities, they gain a deeper understanding of the change process. This participatory approach fosters a sense of ownership and commitment, reducing resistance and ensuring that the final matrix accurately reflects the realities of the organizational transition.

67. (B) The change initiation phase
The change initiation phase involves several active steps to put plans into motion. These include identifying new ways of working, choosing appropriate changes in structure or technology, and seeking cooperation from the workforce. This phase is characterized by the actual implementation of the proposed changes and requires active management to ensure that the transition is carried out effectively and with broad support.

68. (B) Dividing activities into functions and decentralising administration
A structural change where activities are divided into functions like engineering and production involves reorganizing the firm's hierarchy. By decentralizing administration alongside these functional divisions, the organization can become more responsive and efficient. This type of redesign allows for specialized focus within each function while empowering local management, which is often necessary to adapt to complex products or competitive markets.

69. (A) External competitive market threats
Responsibility charting is an internal organizational tool focused on clarifying roles and processes. Its key elements include specific decisions or tasks, the stakeholders involved, and their level of participation. External competitive market threats, while important for overall strategy, are not a direct component of the charting exercise itself. The chart's primary purpose is to resolve internal ambiguities and improve accountability during the implementation phase.

70. (C) 'Leading Change' and 'The Heart of Change'
'Leading Change' and 'The Heart of Change' are widely recognized books that focus on the emotional and leadership aspects of successful change management. These works emphasize that change is not just a structural or technical process but a human one. By addressing the "heart" of the organization—the people—these books provide essential frameworks for managers to inspire buy-in and sustain transformations.

71. (B) Not more than 20 items
During a responsibility charting exercise, it is recommended to limit the list of tasks or decisions to not more than 20 items. This constraint ensures that the chart remains focused and manageable for the team. Including too many items can lead to confusion and fatigue, defeating the purpose of clarifying roles. A concise list allows for deeper discussion and clearer consensus on each point.

72. (B) Proceed with change and prepare for unrest
If a change is essential for survival but management cannot convert strong resisting forces, they may have to proceed regardless. In such critical and expedient situations, management must prepare for potential unrest while implementing the necessary transitions. This difficult decision is made when the cost of not changing is greater than the cost of the conflict, prioritizing the long-term viability of the organization.

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73. (D) A technique for resolving process ambiguities through collaboration
Responsibility charting is defined as a technique for resolving process ambiguities through collaborative efforts. It involves creating a matrix that clearly defines who is responsible, who must be consulted, and who should be informed for various tasks. By engaging stakeholders in this process, organizations can eliminate confusion, improve accountability, and foster better teamwork, ensuring that transitions are managed more effectively and transparently.

74. (C) Create short-term wins
Creating short-term wins is the step where a change leader sets manageable, bite-size goals that are easy to achieve. Finishing these stages before moving on builds momentum and provides visible evidence of progress. These early successes help to overcome skepticism, provide positive reinforcement for the workforce, and

demonstrate that the larger change effort is achievable and moving in the right direction.

75. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
A responsibility chart is a valuable document that can be shared and approved by various committees and boards. This is because the process of creating the chart engages stakeholders in reaching a consensus on how decisions should be made. Approval from higher authorities reinforces the legitimacy of the defined roles and ensures that the entire organization is aligned with the new procedures.

76. (D) Because change implementation often fails without the agreement of major resisting forces
Assessing which groups favor or oppose a change is imperative because implementation often fails without the agreement of major resisting forces. Identifying these groups allows management to develop targeted strategies for communication, negotiation, or co-optation. By understanding the source and strength of opposition, change agents can proactively address concerns and build the necessary consensus required for the transition to be sustainable.

77. (D) The need for more structural and procedural specification.
When a responsibility chart review reveals many "Don't knows," it indicates significant ambiguity within the organization. This lack of clarity shows that stakeholders do not understand their roles or the processes involved. This signal highlights the need for more detailed structural and procedural specification. Management must address this by defining tasks more clearly and ensuring that everyone understands their specific contributions to the project.

78. (D) The very purpose of change will be defeated
If the evaluation stage, including feedback and follow-up measures, is neglected, the very purpose of change will be defeated. Without assessment, management cannot know if the new behaviors are being sustained or if the performance goals are being met. Evaluation is essential for identifying remaining gaps, providing necessary support, and ensuring that the organization does not revert to its old, inefficient habits.

79. (D) I, II, III and IV
Responsibility charting serves multiple important organizational purposes. It identifies individual and team roles, clarifies inter-relationships, and states procedural specifications with clear time frames. Furthermore, it helps stakeholders understand and clarify their expectations while improving overall accountability, delegation, and communication. This combination of benefits makes it a foundational tool for managing complex transitions and enhancing team performance throughout the change process.

80. (D) Centralizing all authority levels
Standard steps for successful change include increasing urgency, building a guiding team, and empowering action. Centralizing all authority levels is not a recognized step for successful change; in fact, many change models advocate for empowerment and decentralization to foster flexibility. Successful transitions rely on broad-based buy-in and the removal of bureaucratic obstacles, rather than the concentration of power at the top levels.

81. (B) It creates bureaucratic usage that diminishes the tool's value
When a manager imposes a responsibility chart without consulting the team, it leads to bureaucratic usage that diminishes the tool's value. The effectiveness of responsibility charting stems from its participatory nature and the consensus it builds. Without collaboration, the chart may not accurately reflect operational realities and will likely be ignored or resisted, failing to improve accountability or clarify interrelated roles.

82. (D) Assertion (A) is false, but Reason (R) is true.
Management is not always required to abandon planned changes just because resisting forces are strong. While postponing the program to a more appropriate time is a valid strategic option if conversion fails, there are circumstances where change must proceed despite opposition for the sake of organizational survival. The decision depends on the criticality of the change and the potential impact of inaction.

83. (A) P-3, Q-4, R-1, S-2
Successful change requires specific strategic actions at each stage. Increasing urgency inspires

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people to move by making objectives real. Building a guiding team involves getting the right people with strong emotional commitment. Getting the vision right means establishing a simple vision and strategy. Finally, communicating for buy-in requires de-cluttering communications and leveraging technology effectively to ensure the message reaches everyone in the organization.

84. (A) P-3, Q-1, R-2, S-4
Analyzing a responsibility chart reveals critical organizational insights. A high number of unknowns suggests the need for better procedural specifications. When project directors carry excessive responsibilities, it leads to burnout and stunts others' growth. Collaborative participation fosters decision ownership, while clustering tasks into categories like planning or administration helps simplify the management of complex project implementation and policy development within the organization.

85. (C) Both I and II
Modern health services organizations often implement structural changes by creating divisions based on their products and services. To ensure success, they also appoint recognized leaders in the field to provide direction. Both creating service-oriented structures and securing expert leadership are correct and essential strategies for adapting to market needs and ensuring the organization can effectively deliver high-quality health services to its customers.

86. (B) Boost favoring forces and convert resisting ones through communication
When forces favoring and resisting change are equal in strength, the organization faces a deadlock. Management's recommended strategy is to boost the favoring forces while simultaneously working to convert the resisting ones through targeted communication. This approach aims to tip the balance in favor of change without resorting to coercion, building a broader base of support that ensures smoother implementation.

87. (D) I, II and III
Reviewing codes in a responsibility chart allows management to address several critical analysis questions. These include finding ways to use the structure to promote higher participation and determining if tasks can be "clustered" by administrative categories. Additionally, it identifies which external agencies or other organizations need to be kept informed. These questions ensure that the chart is used effectively to improve overall coordination.

88. (A) IV, II, I, III
A standard model for successful change follows a specific four-step sequence. It begins with increasing urgency to inspire movement. Next, the organization builds the guiding team with the right committed people. This team then works to get the vision right by establishing a simple strategy. Finally, the vision is communicated for buy-in, ensuring that everyone in the organization understands and supports the transition.

89. (B) The level of participation in each decision or task
In a responsibility chart, the depth of involvement a stakeholder has is determined by their level of participation in each specific decision or task. This is represented by codes indicating whether they are responsible, must be consulted, or simply informed. This granular approach ensures that everyone knows exactly what is expected of them, preventing confusion and improving the overall efficiency of the change project.

90. (A) Make change stick
Promoting employees who champion new protocols and recruiting new staff aligned with the transition are actions intended to make change stick. This final step in many change models focuses on weaving the changes permanently into the corporate culture. By reinforcing new values through HR practices, management ensures that the transformation is sustained long-term and becomes the standard way the organization operates.

91. (B) Eliminate Resisting Stakeholders
The responsibility charting process involves specific steps to clarify roles. These include identifying necessary tasks, creating the actual matrix, and discussing results to reach a consensus. Eliminating stakeholders who resist change is not part of this collaborative exercise. Instead, the technique aims to resolve ambiguities and improve communication among all relevant

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parties to ensure smoother implementation of the project goals.

92. (C) Teaching project management skills
In an organizational exercise, 'Education/ Training Responsibility' focuses on building the skills and knowledge of the staff. Teaching project management skills is a clear example of this category. Unlike meeting logistics or process facilitation, training responsibilities are geared toward long-term competency building, ensuring that employees have the necessary expertise to handle new roles and responsibilities within the evolving organizational structure.

93. (A) I, II, III and IV only
Meeting responsibilities in standard charting include administrative and facilitative tasks such as sending out materials, facilitating the actual meeting, and maintaining files. Leading the meeting critique is also a key part of ensuring productive sessions. Plotting charts is generally considered a project or technical responsibility rather than a meeting one. Together, these administrative tasks ensure that collaboration during the change process remains organized.

94. (D) I, II, III, IV and V
Successful change management follows a structured series of steps. Increasing urgency inspires action, while a guiding team provides emotional commitment. Getting the vision right provides strategy, and empowering action removes obstacles. Finally, creating short-term wins builds momentum, and making change stick ensures the new values are permanently embedded via recruitment and promotion. This combination provides a robust framework for managing significant organizational transformations.

95. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
During a charting exercise, reaching consensus on each item is essential before moving forward. Rushing through the matrix without agreement prevents a clear understanding of how roles interrelate and significantly diminishes individual and team accountability. Consensus ensures that every stakeholder truly understands and accepts their responsibilities, which is the foundational goal of the entire responsibility charting and change management process.

96. (B) Maintaining the picture book format - Meeting Responsibilities
While meeting responsibilities include administrative tasks like containing digressions and managing the agenda, maintaining a specific 'picture book format' is not typically classified as a standard meeting responsibility. This task is more likely a project-specific technical or administrative duty. Standard categories correctly include education/training for skill development and project responsibilities for data gathering, ensuring that all aspects of the transition are clearly assigned.

97. (A) Responsibility charting creates harmful process ambiguities
Responsibility charting is designed to resolve ambiguities, not create them. Effective change management recognizes that resistance is common and that HR departments are often the preferred source for change agents. Managing change is vital for continuous organizational growth. Describing responsibility charting as a creator of harmful ambiguity is incorrect, as its primary purpose is to clarify roles and improve transparency during complex implementations.

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98. (A) I and II only
During a chart exercise, management can decide to rotate responsibilities between different people or groups. If this is done, it is essential to clearly set down procedures for how and when the switch will occur to maintain clarity. Rotating responsibilities is not prohibited; in fact, it can be a useful way to build cross-functional skills, provided the transition is managed with clear accountability.

99. (D) Having each member use a different color marker
When working through a responsibility chart, having each member use a different color marker is a recommended visual aid. This technique simplifies later discussions because it allows the team to easily identify individual perspectives and areas of disagreement. By visually tracking who assigned which responsibility, the group can more efficiently navigate the consensus-

building process and resolve ambiguities in their interrelated roles.

100. (D) It sends a strong message and increases consistency

Adopting a standard change management approach across an entire organization ensures that all projects follow a unified methodology. This practice sends a powerful signal to employees about the importance of structured transitions. Furthermore, it increases consistency in how change is executed, making it easier for staff to adapt to multiple initiatives while improving the overall efficiency of implementation throughout the firm.

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CHAPTER 04

HRM in Indian Banking

May/June 2016

1. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): Historically, training institutions in banks often suffered from poor performance and lacked clarity in approach.
Reason (R): Highly committed and devoted performing personnel were routinely and exclusively selected as faculty for these training institutions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

2. What is the most appropriate description of the 'Induction' process for fresh graduates?
(A) The process that measures experiential learning and analytical skills through web-based tools.
(B) The process of giving strategic perspectives and business goals management skills through MDPs.
(C) The process introducing the new entrant to the bank, their specific business unit, and department.
(D) The process of performing a job in a specific department for a prolonged period to master skills.

May/June 2023

3. Which of the following statements regarding the decentralization of HR functions in banks is correct?
(A) Collective bargaining for wage revision has been fully decentralized to respective individual banks.
(B) Recruitment has been centralized under the Banking Services Recruitment Board (BSRB).
(C) Recruitment has been decentralized to respective banks from the centralized BSRB.
(D) Both wage negotiations and recruitment are exclusively handled by the Indian Banks' Association (IBA).

Oct/Nov 2018

4. How is the shift in training methodologies characterized when focusing on tools like E-learning, Assessment Centres, and Management Games?
(A) A shift towards traditional chalk and talk methods designed to reinforce basic clerical functions.
(B) A shift towards maintaining multi-layered hierarchical systems to ensure strict managerial oversight.
(C) A shift towards measuring experiential learning, analytical skills, initiative, and professional judgment.
(D) A shift towards exclusively enhancing physical evidence and manual paperwork processing efficiency.

May/June 2007

5. Consider the following steps of the Human Resource Planning (HRP) process:
I. Assessing future business expansions and projections.
II. Assessing current human resources.
III. Assessing the internal and external HR supply sources.
IV. Assess and forecast of number and type of human resources additionally required.
Which of the following represents the correct sequential order of these steps?
(A) II, I, IV, III
(B) I, II, III, IV
(C) II, IV, I, III
(D) I, IV, II, III

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Oct/Nov 2025

6. Which of the following is NOT typically included under the employee wellness schemes or welfare programs extended by banks?
(A) Housing accommodation
(B) Comprehensive mediclaim policy covering hospitalization for family members
(C) Scholarships instituted for employee-children
(D) Guaranteed post-retirement stock options

May/June 2012

7. How is the task performed by human beings behaviorally manifested in an organizational context?
(A) As a mechanical response to strict regulatory compliance and monetary directives
(B) As a behavioral manifestation of need satisfaction driven by quality and quantity of work
(C) As a direct translation of hierarchical command structures within the workplace
(D) As a spontaneous reaction to external competitive pressures and global alignment

Oct/Nov 2014

8. Consider the following statements regarding recruitment and selection in banks:
I. Talented individuals are recruited from the external market exclusively to manage traditional support functions.
II. The HR department provides guidance on the use of psychometric tests to ensure robust recruitment criteria.
III. Selection of employees is based strictly on knowledge, skills, and talent.
Which of the above statements are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2019

9. To ensure the externally recruited individuals understand the bank's unique operational framework immediately upon joining, which developmental intervention must be deployed first?
(A) Cross-functional attachments
(B) Induction
(C) Specific Competency Training
(D) Management Development Programs (MDP)

Oct/Nov 2006

10. What is the most significant potential consequence of the sudden transfer of complete recruitment responsibilities to individual banks?
(A) The banks will immediately achieve profit center status through localized HR strategies.
(B) The banks will seamlessly transition to a flat organizational structure and agile operations.
(C) The banks may find themselves ill-equipped to handle these specialized new functions.
(D) The Indian Banks' Association will mandate uniform recruitment policies for all global branches.

May/June 2021

11. Which of the following statements regarding performance management in Public Sector Banks (PSBs) is incorrect?
(A) A uniform set of Performance Appraisal formats devised by the Government of India is followed.
(B) Formats use various Key Responsibility Areas (KRAs) and Management Dimensions different for each category.
(C) A formal appeal procedure is available if an officer is not satisfied with assigned ratings.
(D) Opaque appraisal systems with no procedure for communicating ratings to the concerned officers.

Oct/Nov 2010

12. Consider the following statements regarding the traditional challenges faced by qualified and experienced bank staff:
I. An environment of vigilance inquiries frequently led qualified staff to opt out.
II. Problems arising from frequent transfers influenced the decision to accept pension schemes.
Which of the statements given above is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

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May/June 2005

13. Consider the following components of the unique one-year training period for fresh graduates:

I. Induction into the bank and particular department.
II. Training in specific products and technical skills.
III. On-the-job training post initial exposure.
IV. Work-based assignments in respective business or function.
V. Cross-functional attachments for short stints in other business functions.

Which of the components listed above are part of this training period?

(A) I, II, III, and V only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

Oct/Nov 2022

14. How is Human Resource Planning (HRP) defined in an organizational context?

(A) The process of decentralizing wage negotiations and recruitment to individual branches to enhance autonomy.
(B) The mechanism through which an organization converts its core banking network into retail channels.
(C) The process of ensuring the organization has the right people at the right place and time.
(D) The administrative constraint utilized to manage job rotation and cross-functional attachments effectively.

May/June 2018

15. Which of the following statements regarding employee welfare in banks is correct?

(A) Employee welfare is solely concerned with the physical health of the employees.
(B) The Government of India mandates Public Sector Banks to spend up to 10% of their gross profits on staff welfare.
(C) Medical Insurance Schemes exclusively cover serving employees, excluding retired personnel.
(D) Staff Welfare Committees are formed in banks to devise and administer welfare schemes within allocable funds.

Oct/Nov 2016

16. Why is an appropriate strategic fit between the 'work' and the 'human beings' critical for organizational success?

(A) Because congruence between work output and motivation enhances individual need fulfillment
(B) Because it facilitates the immediate abolition of multi-layered organizational structures to streamline decisions
(C) Because it allows the Human Resource department to function independently of core business objectives
(D) Because it ensures that the organization can exclusively focus on quantitative expansion and market share

May/June 2014

17. If the bank recruits fresh graduates as generalists to support these specialized functions in the future, how will the bank primarily ensure they gain exposure to diverse operational areas?

(A) By providing job rotation on an ongoing basis
(B) By offering golden handshake retirement schemes
(C) By centralizing recruitment back to BSRBs
(D) By limiting their training exclusively to e-learning modules

Oct/Nov 2007

18. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.

Assertion (A): The HR departments in public sector banks need to reorient themselves quickly and get on with work immediately.

Reason (R): Qualitative changes in staff composition and skills required have historically not been given the attention they deserve.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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May/June 2025

19. Match the training interventions in List I with their corresponding descriptions in List II.

List I: (Training Interventions)

P. Product training
Q. Advanced MDP programs
R. Specific Competency Training
S. Cross-functional attachments

List II: (Descriptions)

1. Short stints spent in another business or support function
2. Ensures the staff excels in product knowledge and understands regulatory procedures
3. Cash handling training and operational training for hands-on exposure
4. Provides strategic perspectives, networking, and customer focus abilities

(A) P-4, Q-3, R-1, S-2
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-2, R-1, S-4
(D) P-3, Q-4, R-2, S-1

Oct/Nov 2019

20. Consider the following statements regarding Human Resource Planning (HRP) and business operations:

I. HRP translates the organization's objectives and plans into the number of workers needed to meet those objectives.
II. Making people available at the right time and place is essential to ensure that Business Continuity Plans are not derailed.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2009

21. Match the compensation or welfare feature in List I with its corresponding characteristic in List II.

List I: (Compensation/Welfare Feature)

P. Uniform wage package
Q. Executive compensation package
R. Sales personnel compensation
S. Uniform Medical Insurance Scheme

List II: (Characteristic)

1. Compensated based on the ability to meet defined targets
2. Comprises basic pay, stock options, and attractive severance packages
3. Mostly based on a socialistic pattern and bilateral settlements
4. Implemented in the wage settlement of 2015 for serving and retired employees

(A) P-2, Q-3, R-4, S-1
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-2, R-1, S-4
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2011

22. Historically, who independently headed the staff training colleges in most of the public sector banks?

(A) A General Manager from the HR department
(B) An Assistant General Manager
(C) An external consultant from the Banking Services Recruitment Board
(D) A Deputy Governor of the Reserve Bank of India

May/June 2010

23. What is the primary conceptual purpose of conducting a Human Resource Planning (HRP) exercise in banks?

(A) To eliminate unwarranted intermediary hierarchical tiers and streamline communication channels across branches.
(B) To centralize wage negotiations under a single autonomous body governed by bilateral settlement rules.
(C) To ensure that disciplinary actions are handled strictly through external consultants and legal experts.
(D) To assess the current organizational state and forecast future HR supply and demand implications.

Oct/Nov 2024

24. To successfully man the new operations in Treasury Management and Assets & Liability Management, what guiding mechanism should the HR department utilize to ensure robust and fair candidate selection?

(A) Implementing flat organizational structures
(B) Promoting internal staff based exclusively on seniority
(C) Relying entirely on traditional chalk and talk methods
(D) The use of psychometric tests and robust recruitment criteria

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May/June 2017

25. Consider the following statements regarding the recruitment policies of banks:

I. Equal Opportunity Employment practices ensure all candidates are treated regardless of gender, race, or age.

II. Unique strengths of each individual are identified so they can be harnessed.

III. Many employees are recruited as generalists, making subsequent training and skilling highly important.

IV. Bringing together people of diverse educational qualifications is not considered a challenge in recruitment.

Which of the above statements are correct?

(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, and IV only

Oct/Nov 2005

26. Which of the following statements about the impact of the voluntary retirement scheme (VRS) in banks is incorrect?

(A) The introduction of the Golden Handshake VRS occurred in the year 2000.
(B) The scheme caused public sector banks to lose a sizeable portion of their performing personnel.
(C) Areas requiring more manpower were further depleted in strength due to the scheme.
(D) The problem of overstaffing in public sector banks was totally and permanently solved by the scheme.

May/June 2020

27. What fundamental conceptual shift is required to address the gap between the expectations of new young managers and prevalent training methodologies?

(A) A strategy that imparts knowledge, harnesses skills, and encourages positive attitudes.
(B) The transformation of 'Learning systems' back into traditional compliance training formats.
(C) The exclusive deputation of all staff to international management institutes for advanced certification.
(D) The elimination of business continuity plans to free up training resources for clerical staff.

NODIA

Oct/Nov 2015

28. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.

Assertion (A): A perfect match between the quality and quantity of work and the motivation derived from the organization always takes place.

Reason (R): When a perfect match does not take place, work performance frequently falls below the required or desired level.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

29. Based on the scenario, which step of the HRP process is the bank directly addressing when it decides to look towards the external market to fill the skills gap?

(A) Assessing future business expansions and projections
(B) Making the people available at required places at the right time
(C) Assessing the internal and external HR supply sources
(D) Assessing current human resources

Oct/Nov 2021

30. Which of the following is NOT one of the generally recognized steps in the Human Resource Planning process?

(A) Assessing current human resources.
(B) Making the people available at required places at right time.
(C) Acquiring people at right time from within and outside as per pre-drawn estimates.
(D) Conducting collective bargaining for industry-level wage revision.

May/June 2024

31. The following question consists of two statements, one labeled as Assertion (A) and

the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): There has been a constant desire on the part of Public Sector Banks to introduce a 360-degree Performance Management System.
Reason (R): A 360-degree system envisages appraisal exclusively by an employee's immediate superior without external input.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

32. Consider the following statements regarding the Indian banking industry's scope and expected HR shifts:
I. The industry contributes to a network of over 50,000 branches.
II. The workforce in the industry is in excess of 1 million.
III. There is a need for a radical change in public sector banks to favor seniority over performance in promotions.
IV. A focused training effort is required to make counter staff more customer-friendly and proactive.
Which of the above statements are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, III, and IV only

May/June 2006

33. The Government of India has mandated Public Sector Banks to spend up to what percentage of their net profits towards staff welfare activities?
(A) 2%
(B) 3%
(C) 5%
(D) 10%

Oct/Nov 2017

34. What is the fundamental conceptual purpose of orienting transfer and placement policies towards empowerment and multi-skilling?
(A) To strictly isolate employees into rigid, single-function silos to prevent cross-functional knowledge sharing.
(B) To ensure that wage negotiations are exclusively decentralized to individual rural branch managers.
(C) To restrict the use of e-learning tools across branches to maintain traditional classroom training standards.
(D) To make employees versatile, facilitating self-development and easing various administrative constraints.

May/June 2008

35. Consider the following statements regarding the factors that led to the change in the profile of banking business:
I. Stipulation of Capital Adequacy Ratio.
II. Global alignment of the Indian Economy.
III. Increased dependence on real-time MIS.
IV. Entry of Private Sector Banks.
V. Decreased reliance on customer preferences in the retail sector.
Which of the above statements accurately reflect these factors?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, IV, and V only

NODIA

Oct/Nov 2013

36. Consider the following statements regarding the new approach to training strategy:
I. It should impart the required knowledge.
II. It should harness the skills of the employees.
III. It should imbibe positive attitudes among the employees.
IV. It should exclusively rely on chalk and talk methods.
Which of the above statements reflect the three-tiered training strategy?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, and IV only

May/June 2015

37. Which of the following pairs of employee incentives and their classification is incorrectly matched?
(A) Salary increments – Given solely based on an employee's age profile and seniority
(B) Stock options – Part of performance bonus

for senior officials
(C) Best Performer Award – Non-financial/ financial incentive to encourage employees
(D) Spot Award – Incentive to motivate continued high performance

Oct/Nov 2012

38. Under the bank's equitable PMS, how is the performance of senior executives primarily measured to justify the granting of stock options?
(A) By assessing their participation in staff welfare committees
(B) By monitoring their attendance in physical chalk-and-talk training sessions
(C) By their length of seniority irrespective of outputs
(D) By evaluating their performance against budgets using Key Responsibility Areas (KRAs)

May/June 2011

39. Consider the following statements regarding Industrial Relations and workforce unions:
I. Unions need to exhibit the spirit of mutual accommodation and cohesive co-existence.
II. Management aims to retune HR policies to make them more objective and create responsive attitudes.
III. Existing realization among workforce unions is found to be fully adequate, requiring no softer attitudes.
Which of the above statements are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2020

40. What is the most appropriate description of the primary means for managing employee performance within an institution?
(A) The collective bargaining framework of the IBA
(B) The voluntary retirement scheme
(C) The core banking solutions network
(D) The performance appraisal system

May/June 2022

41. Consider the following statements regarding the role of HR departments:
I. In some banks, personnel departments function merely as fire-fighters to put out industrial relations fires.
II. The emphasis must shift from core HR functions like manpower planning back to traditional industrial relations.
Which of the statements given above is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2023

42. Consider the following statements regarding compensation structures:
I. Public Sector Banks operate with uniform wage packages heavily influenced by bilateral settlements for 5-year periods.
II. New age Private Banks regularly conduct salary surveys to ensure their reward packages remain competitive in the market.
Which of the statements given above is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2016

43. Which of the following pairs correctly matches a banking industry reform/concept with its intended impact?
(A) Golden Handshake Scheme – Eradicating technological obsolescence.
(B) Abolishing BSRBs – Granting autonomy to individual banks in framing recruitment strategies.
(C) Bilateral wage agreements – Creating disparate and highly unequal basic pay structures across PSBs.
(D) Multi-layered organizational structures – Fostering qualitative and faster decision making.

Oct/Nov 2009

44. The HR department in banks undertakes many functions categorized as developmental HR. Which of the following is NOT explicitly mentioned as a developmental HR function?
(A) Talent Management
(B) Competency Mapping
(C) Succession Management
(D) Hardware Network Maintenance

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May/June 2023

45. What is the best method to instill greater confidence in the workforce to perform their duties with devotion and without fear?
(A) Guaranteeing that all commercial risk-taking automatically results in punitive transfers to remote locations.
(B) Abolishing the performance appraisal system entirely to remove any perceived threat of management oversight.
(C) Ensuring prudent commercial decisions are treated leniently unless found to be malicious.
(D) Restricting branch managers from making any qualitative decisions regarding high-value corporate loans.

Oct/Nov 2018

46. In which wage settlement was a uniform Medical Insurance Scheme implemented through Health insurance?
(A) Wage settlement of 1993
(B) Wage settlement of 2015
(C) Wage settlement of 2000
(D) Wage settlement of 2010

May/June 2007

47. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): It is imperative for representative unions to exhibit a more conciliatory approach and translate their attitudes into workable solutions.
Reason (R): The existing realization among the workforce and unions that their very survival is at stake unless they soften their attitudes is found to be fully adequate to meet growing institutional needs.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

Oct/Nov 2025

48. Consider the following statements regarding Performance Management Systems:
I. They ensure that employee activities and outputs are congruent with the organization's goals.
II. In PSBs, formats measure the performance of officers against budgets on an annual basis.
III. In Private Sector Banks, standard government-devised KRAs are strictly mandated without any alternative measures.
Which of the above statements are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2012

49. Which of the following statements regarding the primary emphasis of HR in the emerging banking environment is correct?
(A) The primary emphasis needs to be on integrating human resource strategies with the business strategy.
(B) The primary emphasis must be on strictly separating human resource strategies from business strategies.
(C) The primary emphasis should be solely on managing industrial relations fires.
(D) The primary emphasis is to ensure that HR departments do not look more than one month ahead in planning.

Oct/Nov 2014

50. The introduction of Spot Awards and Best Performer Awards by the bank is a strategic attempt to achieve what?
(A) To bypass the Indian Banks' Association entirely during the wage negotiation process.
(B) To decentralize recruitment to the Banking Services Recruitment Board for all support staff.
(C) To reward performance and motivate continued high achievement within systemic constraints.
(D) To eliminate the need for an annual performance appraisal format by relying on peer feedback.

May/June 2019

51. Match the modern training and assessment methods in List I with their categorical nature in List II.

List I: (Modern Methods)

P. E-learning initiatives
Q. Assessment Centre Approach (ACA)
R. Management Games
S. Psychometric Tests

List II: (Categorical Nature)

1. Evaluates psychological and cognitive attributes during selection/training
2. Utilizes digital technology for widespread knowledge delivery
3. Simulates business scenarios to measure analytical and decision-making skills
4. A comprehensive evaluation process using multiple techniques and observers

(A) P-1, Q-2, R-4, S-3
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2006

52. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.

Assertion (A): Senior officials in banks are often paid a performance bonus, part of which is given in the form of stock options.

Reason (R): While salary increments are based on assessed performance, banks maintain a generous reward structure for those who excel.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

53. Match the major factors responsible for changing the banking profile in List I with their broader themes in List II.

List I: (Changing Factors)

P. Deregulation of operations and entry of foreign banks
Q. Introduction of Prudential Norms
R. Choice of products in the retail sector
S. Extensive use of computer technology

List II: (Broader Themes)

1. Enhances transparency in financial statements and disclosures
2. Increases competition and capital participation dynamics
3. Addresses a highly demanding customer base
4. Drives the transition to real-time MIS and efficiency

(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-4, R-1, S-2
(C) P-2, Q-1, R-3, S-4
(D) P-2, Q-3, R-1, S-4

Oct/Nov 2010

54. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.

Assertion (A): The pace of transition is moving towards flat organizational structures that foster continuous and speedy communication.

Reason (R): Under the aegis of communication explosion, the span of control needs to be made wider, causing increased redundancy of tall and multi-layered structures.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

55. If the bank wishes to further enhance its PMS to ensure comprehensive feedback, which developmental tool should it aim to introduce?

(A) A 360-degree system involving peers, customers, and subordinates.
(B) Advanced ledger posting machines for automated branch record keeping.
(C) An opaque appraisal format without intimation of ratings to prevent internal conflict.
(D) Mandatory cross-functional demotions for all non-performing senior personnel.

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Oct/Nov 2022

56. Which of the following statements accurately describes the mechanism of wage formulation in Public Sector Banks?

(A) Wages covered by bilateral agreements at the industry level through the Indian Banks' Association.

(B) Wages are determined independently by each bank based on local market surveys.

(C) Wages are directly dictated by the Banking Services Recruitment Board following a centralized scale.

(D) Wages are established purely on the basis of individual executive stock options.

May/June 2018

57. Which of the following is NOT an intended outcome of revamping and redefining job-roles in banks?

(A) Orienting roles to the computerized environment

(B) Aligning responsibility, authority, and accountability patterns

(C) Aligning systems and procedures to the Core Banking Solutions (CBS) environment

(D) Encouraging the overlapping of roles to increase manpower wastage

Oct/Nov 2016

58. Which of the following statements about the expectations from the HR department is incorrect?

(A) The business environment is highly predictable, static, and exclusively governed under a weak regulatory framework.

(B) Bank Management has transitioned into a complex managerial system where "Knowledge" is a critical ingredient.

(C) The HR department must respond quickly in making the right human resource available at the right time.

(D) Factors such as skills, attitudes, and knowledge play a critical role in determining competitiveness.

May/June 2014

59. Match the evolving HR concepts in List I with their contextual outcomes in List II.

List I: (Evolving HR Concepts)

P. Multi-skilling of employees

Q. Eliminating unwarranted intermediary hierarchical tiers

R. Profit center conversion of HR

S. Fast Track channel of promotions

List II: (Contextual Outcomes)

1. Facilitates quicker decisions and redefines reporting relationships
2. Enhances core competencies and eases administrative constraints
3. Reduces the eligibility period for proven performers
4. Ensures return on investment on human assets exceeds involved costs

(A) P-1, Q-2, R-3, S-4

(B) P-3, Q-4, R-1, S-2

(C) P-2, Q-1, R-4, S-3

(D) P-4, Q-3, R-2, S-1

Oct/Nov 2007

60. Based on the scenario, what systemic constraint is the bank navigating regarding its base compensation structure?

(A) Regular salary surveys conducted by external vendors to determine market competitiveness.

(B) A uniform wage package built on a socialistic pattern and bilateral settlements.

(C) A mandate to spend 10% of net profits on executive bonuses and corporate social responsibility.

(D) The total prohibition of any form of performance appraisal for staff at the clerical level.

May/June 2025

61. The implementation of the 'Fast Track channel of promotions' is strategically designed to achieve which of the following?

(A) To enforce the principle of seniority over performance universally across all administrative levels.

(B) To guarantee uniform salary increments for all unionized staff members regardless of merit.

(C) To facilitate reduced eligibility for proven performers and build quick succession pipelines.

(D) To penalize branch managers for taking prudent commercial risks during the credit appraisal.

Oct/Nov 2019

62. Consider the following stages of the employee lifecycle:

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I. Development
II. Recruitment
III. On-boarding
IV. Attraction

Which of the following represents the correct sequential order of these stages?
(A) IV, II, III, I
(B) II, IV, I, III
(C) IV, III, II, I
(D) II, III, IV, I

May/June 2009

63. Consider the following statements regarding planning timelines for HR departments:
I. Compared to business planning, manpower planning takes much longer to become operational.
II. HR departments should rightly be working on manpower plans for two years ahead.
III. The prime necessity for some banks is to merge their HR departments completely with marketing.

Which of the above statements are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2011

64. The initiatives taken by the bank to groom high performers for higher responsibilities are constructive interventions primarily situated in which stages of the employee lifecycle?
(A) Attraction and Recruitment
(B) Separation and Advocacy
(C) Development and Retention
(D) On-boarding and Collective Bargaining

May/June 2010

65. Consider the following strategies expected to address major HRM challenges in banks:
I. Illustrating the process of developing human resource from all sources in HR planning.
II. Sourcing the correct talent mix strategically for an early fit during recruitment.
III. Emphasizing ways of minimizing errors in employee selection to improve competitive position.
IV. Revamping training systems towards experiential training and a 'Learning' process.
V. Operating the Performance Management function loosely without distinguishing performers.

Which of the above statements accurately reflects recommended HR strategies?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, IV, and V only

Oct/Nov 2024

66. How is the platform known as "Core Banking Solutions" conceptually defined?
(A) A platform merging communication and information technology to suit core banking needs.
(B) A platform where industrial relations and wage negotiations are merged to suit staff needs.
(C) A traditional platform utilized exclusively for manual passbook maintenance and record keeping.
(D) A theoretical model for employee lifecycle visualization and strategic talent management.

May/June 2017

67. Which of the following statements regarding the abolition of Banking Service Recruitment Boards (BSRBs) is incorrect?
(A) It was an action taken by the Government to supplement the efforts of the banks.
(B) It aimed to enhance operational efficiency by reducing the age-profile of the employees.
(C) It centralized all recruitment strategies into a single national governmental body.
(D) It granted autonomy to individual banks to frame their own recruitment strategies.

Oct/Nov 2005

68. How is the "employee lifecycle" structurally defined in organizational management?
(A) The legal timeframe an employee is bound by a uniform wage settlement agreed upon by the IBA.
(B) An organizational method to visualize employee engagement over seven distinct stages.
(C) As the chronological age profile of an employee from their initial induction to retirement.
(D) As the period required to achieve a return

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on investment on a newly implemented core solution.

May/June 2020

69. The departure of bright young executives to the financial advisory services sector represents which specific major HRM challenge for the bank?
(A) Attrition and retention of key talents
(B) Redundancy of multi-layered structures
(C) Inadequate induction training
(D) Lack of collective bargaining

Oct/Nov 2015

70. What was the conceptual significance of the computerization agreement signed during 1993 in Indian banks?
(A) It represented the final wage settlement for public sector banks in the new millennium.
(B) An agreement that mandated the immediate abolition of all staff training colleges within six months.
(C) A classic example of the change in bank employees' traditional mindset towards high-end technology.
(D) It legally prohibited private banks from entering the retail sector to protect nationalized interests.

May/June 2013

71. Which of the following pairs correctly matches a Core Banking function with its operational characteristic?
(A) System integration – Interconnected by means of communication lines like telephones, satellite, internet
(B) Record keeping – Decentralized and localized strictly to the home branch
(C) Access mechanism – Restricted exclusively to standard working hours via physical branches
(D) Software installation – Installed solely at the head office without branch-level interconnectivity

Oct/Nov 2021

72. What is the most direct operational benefit the bank expects from eliminating the intermediary hierarchical tiers?
(A) A reduction in the need for any future technological investments in the retail sector.
(B) Facilitating quicker decisions and speeding up the communication processes.
(C) Allowing the bank to return to a centralized recruitment model managed by external boards.
(D) Eliminating the necessity of a performance appraisal system for all clerical level staff.

May/June 2024

73. Which of the following statements regarding the handling of Performance Management as an HR challenge is correct?
(A) It should avoid distinguishing between performers and non-performers to maintain equality.
(B) Rely entirely on the age and seniority profile of the workforce for making promotion decisions.
(C) It requires the complete abolition of any incentive and reward schemes in PSU banks.
(D) Handle performance with rigor using a 'carrot and stick' approach to transform non-performers.

Oct/Nov 2008

74. Match the HRM challenge in List I with its strategic HR action in List II.
List I: (HRM Challenge)
P. Employee Selection
Q. Job-man fit
R. Performance Management
S. Key talent attrition
List II: (Strategic HR Action)
1. Implementing a robust 'Competency Mapping' system
2. Evolving well-knit policies for employee engagement and retention
3. Utilizing a genuine 'carrot and stick' approach to distinguish performers
4. Conducting meaningful background checks to avoid frauds
(A) P-1, Q-2, R-4, S-3
(B) P-3, Q-4, R-2, S-1
(C) P-4, Q-1, R-3, S-2
(D) P-2, Q-3, R-1, S-4

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May/June 2006

75. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two

statements carefully and select the correct answer using the options given below.
Assertion (A): Core banking solutions rely heavily on computer and network technology.
Reason (R): This technology allows a bank to centralise its record keeping and allow access from any location.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

76. Consider the following statements regarding the changing role and mindset in HRM:
I. HR departments must be involved in various activities and looked on as an integral part of management.
II. In charged competitive days, HR specialists must be actively involved in the process and preparation of business plans.
III. Manpower planning takes much shorter to become operational compared to business planning.
IV. Adherence to irrelevant rules is identified as the key to success for HR functionaries.
V. World-wide experience shows that organizations are becoming flatter and leaner through process re-engineering.
Which of the above statements are correct?
(A) I, II, and V only
(B) I, II, III, and V only
(C) II, III, and IV only
(D) I, III, IV, and V only

May/June 2008

77. By linking individual performance strictly to an incentive and reward scheme, the bank is applying which conceptual management approach to distinguish performers?
(A) The 'seniority over performance' approach
(B) The 'fire-fighting' approach
(C) The 'advanced ledger posting' approach
(D) The 'carrot and stick' approach

Oct/Nov 2013

78. The unions' decision to adopt a conciliatory approach reflects an understanding of which fundamental reality?
(A) That tall organizational structures are permanent fixtures in the nationalized banking sector.
(B) That HR departments should exclusively function as fire-fighters to resolve recurring industrial disputes.
(C) That core banking solutions are impractical and should be resisted to protect traditional roles.
(D) That institutional survival depends on softening their traditional attitudes and philosophies.

May/June 2015

79. Match the employee lifecycle stage in List I with its logical position/nature in List II.
List I: (Lifecycle Stage)
P. Attraction
Q. On-boarding
R. Retention
S. Separation
List II: (Position/Nature)
1. The final stage involving the employee's exit from the organization
2. The initial stage of drawing potential candidates to the organization
3. The ongoing process of keeping key talents engaged and preventing attrition
4. The process of integrating the recruited employee into the company's systems and culture
(A) P-4, Q-2, R-1, S-3
(B) P-2, Q-4, R-3, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-3, R-2, S-4

Oct/Nov 2012

80. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.
Assertion (A): Retention of key talents is already becoming a major challenge across all banking sectors, including PSU, private, and MNC banks.
Reason (R): A number of bright bankers have moved on to the financial advisory services sector, such as broking and wealth management.

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(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

81. Which of the following are cited as examples of external software vendors that develop Core Banking Solutions (CBS) packages?
(A) RBI and IBA
(B) BSRB and IIMs
(C) TCS and Infosys
(D) NIBM and ASCI

Oct/Nov 2020

82. How does the multi-skilling initiative directly complement the bank's transition to a flatter structure?
(A) It eases administrative constraints in utilizing employees according to changing business demands.
(B) It ensures that employees perform only one specific task throughout their entire career path.
(C) It increases the overlapping of roles and causes a deliberate wastage of human resources.
(D) It restricts employees from accessing cross-functional attachments during their induction period.

May/June 2022

83. Who among the following is noted for stating that "capital and technology are replicable but not human capital"?
(A) Jack Welch
(B) Nancy Rothbard
(C) The Narasimham Committee
(D) Dr. Bimal Jalan

Oct/Nov 2023

84. The bank's deployment of an advanced 'Competency Mapping' system is primarily aimed at achieving which organizational objective?
(A) Decentralizing the recruitment process
(B) Implementing a golden handshake scheme
(C) Ensuring a precise 'Job-man fit'
(D) Outsourcing contingent workers

May/June 2016

85. The employee lifecycle breaks down the entirety of an employee's time with a company into seven stages. Which of the following is NOT one of those stages?
(A) Attraction
(B) On-boarding
(C) Collective Bargaining
(D) Advocacy

Oct/Nov 2009

86. Which of the following pairs concerning the changing mindset in banking is incorrectly matched?
(A) Staff shortage issue – Solution lies in better use of technology and MIS.
(B) Re-organization process – Started by banks exclusively without the help of any consultants.
(C) Focus of employees – Changed predominantly towards 'Performance' and 'Merit'.
(D) Traditional mindset change example – Signing of computerization agreement in 1993.

May/June 2023

87. Match the core banking delivery channels in List I with their standard operational environment in List II.
List I: (Delivery Channels)
P. ATMs
Q. Internet banking
R. Mobile banking
S. Branch offices
List II: (Operational Environment)
1. Digital transactions conducted via smartphones or portable devices
2. Digital transactions conducted via web browsers on computers
3. Physical locations where member access and in-person services are provided
4. Electronic self-service machines placed inside or outside premises
(A) P-3, Q-1, R-4, S-2
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-4, R-3, S-1
(D) P-1, Q-3, R-2, S-4

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Oct/Nov 2018

88. Consider the following statements regarding the perspectives of prominent leaders on human resources:

I. Dr. Bimal Jalan stated that human capital is not replicable and is a valuable resource for competitive advantage.

II. Jack Welch commented that HR is the most critical function in any company outside of the CEO.

III. Jack Welch viewed his job as allocating people and dollars to opportunities rather than designing products.

IV. Nancy Rothbard suggested that HR must be a strategic partner and think out of the box for the partnership to happen.

Which of the above statements are correct?

(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, II, III, and IV

May/June 2007

89. Which of the following statements regarding Core Banking is correct?

(A) Core banking services rely heavily on manual ledger posting without the use of network technology.
(B) A service by networked branches allowing customer access from any member office.
(C) Core banking is exclusively associated with wholesale corporate lending and excludes retail customers.
(D) Core banking solutions originated and are exclusively used in Japanese banks for rural agriculture.

Oct/Nov 2025

90. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the options given below.

Assertion (A): The background checks of promising new entrants in banks should be done in a meaningful manner without a casual approach.

Reason (R): Thorough background checks boost the moral and ethical wealth of the banks, aiding in their endeavors to avoid frauds and cyber crimes.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2012

91. What historical technological limitation did the Indian public sector bank overcome to achieve its current domestic CBS capability?

(A) The traditional reliance on the personal chop or Inkan for authorizing transactions.
(B) The use of advanced ledger posting machines, which mirrored ledger accounts.
(C) The historical lack of any form of employee welfare committees within the bank.
(D) The mandate to only operate corporate banking divisions for wholesale lending.

Oct/Nov 2014

92. Match the standard Core Banking software in List I with its respective developer in List II.

List I: (Software)

P. Flexcube
Q. Finacle
R. B@ncs
S. Advanced ledger posting machines (Pre-CBS)

List II: (Developer)

1. Infosys
2. iFlex Solutions
3. Public Sector Banks (Historical usage)
4. TATA Consultancy Services

(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-3, R-2, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-3, Q-4, R-1, S-2

May/June 2019

93. Consider the following statements regarding the scope of Core Banking:

I. Core banking is often associated with retail banking, where banks treat retail customers as their core banking customers.

II. Businesses are usually managed via the Corporate banking division rather than being the primary focus of standard core retail banking.

Which of the statements given above is/are correct?

NODIA

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2006

94. The heavy reliance on paperwork in the Japanese branch is exemplified by the local requirement for which specific physical evidence?
(A) Advanced ledger posting machines
(B) Management Games documentation
(C) The personal chop or Inkan
(D) A 360-degree appraisal format

May/June 2021

95. Which of the following statements about the evolution of Core Banking in Public Sector Banks in India is incorrect?
(A) The IT infrastructure for core banking has existed in India for over fifty years.
(B) For years, PSBs were able only to use what was termed as Advanced ledger posting machines.
(C) A quantum leap in technology happened with the advent of the new generation banks in 1993.
(D) Competition spurred the nationalised and old private banks to push hard with computerisation.

Oct/Nov 2010

96. Consider the following statements regarding the capabilities of computer software developed for Core Banking Solutions:
I. It performs recording of transactions and passbook maintenance.
II. It executes interest calculations on loans and deposits.
III. It facilitates easy withdrawals with the use of anywhere banking.
Which of the above statements are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2005

97. In the domestic branches, the seamless facilitation of 'anywhere banking' is primarily made possible by merging which two domains?
(A) Communication technology and information technology
(B) Industrial relations and human resource planning
(C) Retail banking and corporate lending
(D) Competency mapping and psychometric testing

Oct/Nov 2022

98. Consider the following statements regarding the technological shift in Indian banking:
I. Advanced ledger posting machines used historically were basically a mirror image of the ledger accounts.
II. The advent of new generation banks in 1993 triggered a quantum leap in technology.
III. A sure loss of business to new banks, regarding younger wage earners, acted as a catalyst for nationalised banks.
IV. Almost all Cooperative banks in India have firmly resisted centralized Core Banking solutions.
Which of the above statements are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, and IV only

May/June 2018

99. Consider the following statements regarding core banking around the world, particularly in Japan:
I. Core banking is in highly advanced stages and universally adopted across all Japanese rural areas.
II. Japanese consumers exhibit low demand for such services, leading to fewer services being offered.
III. It is only within the last decade that Japanese banks started placing ATMs outside bank premises.
IV. Many bank services must be done in person at the account holder's registered branch.
V. Japanese banks rely heavily on paperwork and physical evidence, such as the personal chop or Inkan.
Which of the above statements are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, IV, and V only

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Oct/Nov 2016

100. Based on the cultural and operational realities described in the Japanese banking market, what is the ultimate conclusion regarding the deployment of full-scale core banking services in that specific context?

(A) It becomes the immediate global standard for all foreign banks operating in Asian markets.

(B) It renders core banking highly practical and instantly profitable for domestic retail players.

(C) It forces the complete abolition of all physical ATM networks to favor in-person visits.

(D) It renders core banking impractical due to low demand and registered branch visits.

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ANSWERS

1. (C) Assertion (A) is true, but Reason (R) is false.
Historically, training institutes in the banking sector faced challenges like poor performance and lack of clarity. This was often because high-performing personnel were rarely posted as faculty. Instead, these institutions were sometimes used as parking lots for staff who were not needed in core operations, leading to a disconnect between training and bank needs.

2. (C) The process introducing the new entrant to the bank, their specific business unit, and department.
Induction serves as a critical orientation process for new entrants within a banking organization. It aims to familiarize fresh graduates with the specific bank's culture, operational framework, and business units. This foundational stage ensures that new employees understand their roles and the departmental functions before they begin their specialized training or work assignments within the bank's structure.

3. (C) Recruitment has been decentralized to respective banks from the centralized BSRB.
The banking industry underwent significant structural changes, particularly regarding recruitment. Historically, recruitment was centralized under the Banking Services Recruitment Board. However, this function has since been decentralized, granting individual banks the autonomy to design and implement their own recruitment strategies. Conversely, industry-level wage negotiations usually remain centralized through the Indian Banks' Association for uniform application across banks.

4. (C) A shift towards measuring experiential learning, analytical skills, initiative, and professional judgment.
Modern training methodologies in banks have evolved beyond traditional classroom lectures. Current approaches utilize tools like e-learning, assessment centers, and management games to evaluate complex competencies. This shift emphasizes measuring experiential learning, analytical capabilities, and professional judgment. Such methodologies help in identifying talent and preparing employees for the dynamic challenges of the contemporary banking environment.

5. (A) II, I, IV, III
The Human Resource Planning process begins with assessing the current human resources available within the organization. Next, the bank evaluates future business expansions and projections to determine upcoming needs. This leads to forecasting the specific number and type of additional staff required. Finally, the organization identifies and assesses both internal and external supply sources to fill the identified workforce gaps.

6. (D) Guaranteed post-retirement stock options
Bank welfare schemes typically encompass housing accommodation, medical insurance, and educational scholarships for children. These programs are designed to enhance the quality of life for employees and their families. However, guaranteed post-retirement stock options are not a standard feature of these welfare schemes, which focus more on health, education, and basic living standards rather than equity incentives.

7. (B) As a behavioral manifestation of need satisfaction driven by quality and quantity of work
In an organizational context, work performance is more than a mechanical output; it represents a behavioral manifestation of need satisfaction. The quality and quantity of work performed by individuals are driven by their internal motivations and the fulfillment they derive from their roles. Aligning organizational goals with individual needs is crucial for achieving high productivity and employee satisfaction.

8. (B) II and III only
Selection processes in modern banking are strictly based on assessing knowledge, skills, and talent to ensure competency. The human resources department plays a vital role by providing guidance on psychometric tests to establish robust criteria. While external recruitment occurs, it is

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not limited to traditional support functions but often targets specialized roles to meet evolving business demands.

9. (B) Induction
Induction is the primary developmental intervention deployed when new employees join a bank from the external market. This process is essential for orienting individuals to the bank's unique operational framework and corporate culture. By providing this immediate exposure, the organization ensures that recruits can integrate effectively and understand their specific business units before moving into specialized technical training.

10. (C) The banks may find themselves ill-equipped to handle these specialized new functions.
When specialized functions like recruitment are suddenly shifted from a centralized board to individual banks, those institutions may lack the necessary expertise or infrastructure to handle the transition. This lack of preparation can lead to challenges in managing recruitment effectively. Banks must develop internal capabilities and robust HR systems to successfully navigate these newly delegated responsibilities and functions.

11. (D) Opaque appraisal systems with no procedure for communicating ratings to the concerned officers.
Performance management in Public Sector Banks is designed to be transparent and structured. It involves using specific formats based on Key Responsibility Areas that vary by category. Contrary to the idea of an opaque system, these banks have established procedures for communicating ratings to officers and providing a formal appeal process for those dissatisfied with their results or assessments.

12. (C) Both I and II
Banking personnel historically faced several professional challenges, including frequent transfers that disrupted personal lives and an environment of vigilance inquiries. These factors often influenced experienced staff to consider early retirement options like pension schemes. Managing these environmental stressors is critical for banks to retain their qualified and talented workforce over the long term in a competitive industry.

13. (D) I, II, III, IV, and V
The comprehensive one-year training period for fresh graduates in banks includes multiple structured phases. It begins with induction and moves into specific product and technical training. This is followed by on-the-job training, work-based assignments within their departments, and short cross-functional attachments. These diverse components ensure that new employees gain a well-rounded understanding of the bank's overall business operations.

14. (C) The process of ensuring the organization has the right people at the right place and time.
Human Resource Planning is a strategic process that ensures an organization has the right number of people with the necessary skills in the right place at the right time. It involves analyzing current staff, forecasting future needs, and bridging the gap between supply and demand. This process is vital for meeting organizational objectives efficiently and effectively over time.

15. (D) Staff Welfare Committees are formed in banks to devise and administer welfare schemes within allocable funds.
Staff Welfare Committees are established within banks to design and manage various welfare programs using allocated funds. These committees ensure that employee needs are addressed within the organization's financial capacity. While the government provides guidelines, the specific administration of these schemes, including medical insurance and educational support, is handled internally to benefit the serving and retired workforce.

16. (A) Because congruence between work output and motivation enhances individual need fulfillment
Achieving a strategic fit between the work requirements and the individuals performing them is essential for organizational success. When there is congruence between work output and employee motivation, it leads to enhanced individual need fulfillment. This alignment fosters a productive environment where staff are motivated to perform at their best, ultimately driving the organization toward its strategic goals.

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17. (A) By providing job rotation on an ongoing basis
Banks utilize job rotation as a primary strategy to provide generalist recruits with exposure to diverse operational areas. By moving employees through various departments and functions on an ongoing basis, the bank helps them develop a broad set of skills and a holistic understanding of the business. This versatility is crucial for developing future leadership and enabling functional specialization.

18. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Public Sector Banks face an urgent need to reorient their human resource departments to handle modern banking challenges. Historically, these institutions did not give sufficient attention to qualitative changes in staff composition or the evolving skills required for new operations. Addressing these gaps immediately is vital for the HR department to effectively support the bank's long-term strategic objectives.

19. (D) P-3, Q-4, R-2, S-1
Specific training interventions serve distinct purposes in employee development. Product training provides operational exposure and cash handling skills. Advanced management programs focus on strategic perspectives and customer focus. Competency training ensures staff excel in product knowledge and regulatory procedures. Cross-functional attachments involve short stints in different business units to provide a well-rounded organizational understanding for the trainee.

20. (C) Both I and II
Human Resource Planning is integral to business operations by translating organizational objectives into specific manpower requirements. It ensures that the right personnel are available at the required time and place. This strategic alignment prevents disruptions in business plans and allows the organization to meet its goals through a properly staffed, capable, and well-managed workforce across the branch network.

21. (C) P-3, Q-2, R-1, S-4
Compensation structures in the banking industry vary across different roles and sectors. Uniform wage packages are typically based on socialistic patterns and bilateral settlements. Executive compensation often includes stock options and severance packages. Sales personnel are usually compensated based on their ability to meet targets. Modern welfare includes uniform medical insurance schemes for both serving and retired staff members.

22. (B) An Assistant General Manager
Historically, staff training colleges in most public sector banks were headed by an Assistant General Manager. This administrative structure often reflected the lower priority given to training functions in the past. These institutions sometimes lacked the necessary leadership and resources to perform effectively, leading to a disconnect between the training provided and the bank's evolving strategic needs.

23. (D) To assess the current organizational state and forecast future HR supply and demand implications.
The primary conceptual purpose of Human Resource Planning in banks is to evaluate the current organizational state and forecast future manpower requirements. By assessing the implications of HR supply and demand, the bank can prepare for future growth or changes. This process allows management to make informed decisions about recruitment, training, and strategic talent development across the organization.

24. (D) The use of psychometric tests and robust recruitment criteria
To effectively man specialized operations such as Treasury Management or Assets and Liability Management, banks must employ robust and fair selection criteria. Utilizing psychometric tests helps the human resources department identify candidates with the right aptitude and skills. These modern assessment tools ensure that selection is based on merit and competency rather than just traditional seniority or qualifications.

25. (A) I, II, and III only
Bank recruitment policies emphasize equal opportunity practices to ensure fair treatment of all candidates. These organizations seek to identify and harness the unique strengths of individuals to improve performance. Since many employees enter as generalists, subsequent training and skill

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development are critical. Managing people with diverse educational backgrounds remains an ongoing and significant challenge in this process.

26. (D) The problem of overstaffing in public sector banks was totally and permanently solved by the scheme.
The Voluntary Retirement Scheme introduced in 2000 caused many public sector banks to lose a significant number of high-performing personnel. While intended to address overstaffing, the scheme often depleted strength in areas where manpower was still needed. Consequently, the problem of overstaffing was not permanently solved, as the loss of talent created new gaps in organizational capability.

27. (A) A strategy that imparts knowledge, harnesses skills, and encourages positive attitudes.
Addressing the gap between young managers' expectations and traditional training requires a shift toward more holistic learning strategies. Training programs should focus on imparting essential knowledge, harnessing practical skills, and encouraging positive professional attitudes. This three-tiered approach moves beyond simple compliance to foster a culture of continuous learning and development that aligns with modern banking needs.

28. (D) Assertion (A) is false, but Reason (R) is true.
A perfect match between the quality of work and an individual's motivation does not always occur automatically in organizations. However, when such a match is absent, work performance frequently falls below the desired or required levels. Recognizing this discrepancy is vital for HR departments to implement strategies that better align roles with the motivational needs of their employees.

29. (C) Assessing the internal and external HR supply sources
When a bank identifies a skills gap that cannot be filled internally, it addresses the step of assessing internal and external human resource supply sources. This involves evaluating the availability of talent in the external market versus the existing workforce. This assessment is crucial for determining how to best acquire the necessary expertise to support modern business operations.

30. (D) Conducting collective bargaining for industry-level wage revision.
The Human Resource Planning process typically includes assessing current resources, forecasting future needs, and acquiring people from internal or external sources at the right time. While collective bargaining is an important HR function related to industrial relations and wage setting, it is not considered a direct step in the sequential planning of manpower requirements for the organization.

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31. (C) Assertion (A) is true, but Reason (R) is false.
Public Sector Banks have shown a constant desire to implement 360-degree Performance Management Systems to provide more comprehensive feedback. Contrary to being limited to a superior's assessment, a 360-degree system integrates input from various sources, including peers, subordinates, and sometimes customers. This multi-perspective approach offers a more balanced and objective evaluation of an employee's performance and behavior.

32. (C) I, II, and IV only
The Indian banking industry is massive, with over 50,000 branches and a workforce exceeding one million. To stay competitive, there is a recognized need for training that makes counter staff more proactive and customer-friendly. Rather than favoring seniority, the modern shift in public sector banks is increasingly focused on recognizing performance and merit in promotion decisions.

33. (B) 3%
The Government of India has established guidelines for Public Sector Banks regarding staff welfare. Specifically, these banks are mandated to allocate up to 3% of their net profits toward various welfare activities. This funding supports schemes such as medical insurance, scholarships, and housing, aimed at improving the overall well-being and satisfaction of the bank's employees.

34. (D) To make employees versatile, facilitating self-development and easing various administrative constraints.
Orienting transfer and placement policies toward empowerment and multi-skilling aims to create a versatile workforce. When employees possess a wide range of skills, they can be

utilized more flexibly across different roles and business demands. This approach facilitates self-development and helps the organization overcome various administrative constraints by reducing rigid reliance on single-function specialists.

35. (A) I, II, III, and IV only
Several factors have fundamentally changed the banking business profile, including the entry of private sector banks and the global alignment of the Indian economy. The introduction of capital adequacy ratios and a greater reliance on real-time management information systems have also played key roles. In this retail-focused era, understanding and meeting customer preferences has become significantly more important.

36. (A) I, II, and III only
A comprehensive training strategy in modern banking is built on three essential tiers. It must impart the necessary knowledge, harness the practical skills of employees, and imbibe positive professional attitudes. Moving away from traditional methods, this strategy ensures that the workforce is well-prepared to handle the complexities and service requirements of the current dynamic banking environment.

37. (A) Salary increments – Given solely based on an employee's age profile and seniority
In modern performance management, salary increments are generally intended to be based on an individual's assessed performance and merit rather than solely on age or seniority. Other incentives like stock options, best performer awards, and spot awards are specifically designed to reward excellence and motivate continued high achievement among employees across various levels of the organization.

38. (D) By evaluating their performance against budgets using Key Responsibility Areas (KRAs)
For senior executives in banks, performance is primarily measured against established budgets and targets using Key Responsibility Areas. These KRAs provide a quantifiable and objective framework for evaluating an executive's contribution to the organization's goals. Achieving these specific objectives justifies the granting of performance-linked rewards, such as stock options, as part of their compensation package.

39. (A) I and II only
Effective industrial relations require workforce unions to exhibit mutual accommodation and coexistence with management. For their part, management aims to create objective HR policies that foster responsive attitudes. While there is a growing realization of the need for change, the existing attitudes of unions are not always considered fully adequate to meet evolving institutional needs.

40. (D) The performance appraisal system
The performance appraisal system is the primary mechanism used within an institution to manage and evaluate employee performance. This system provides a structured framework for setting goals, monitoring progress, and providing feedback. By distinguishing between different levels of performance, it helps management make informed decisions regarding rewards, promotions, training needs, and overall developmental workforce planning.

41. (A) Only I
In some banking organizations, personnel departments have historically functioned mainly as fire-fighters, focusing on resolving immediate industrial relations conflicts. However, there is a necessary shift toward core HR functions like manpower planning and strategic talent management. HR should be an integral part of management, actively involved in preparing business plans to ensure long-term organizational success.

42. (C) Both I and II
Public Sector Banks typically follow uniform wage packages established through industry-level bilateral settlements every five years. In contrast, new-age private banks often conduct regular salary surveys to ensure their compensation remains market-competitive. These different approaches reflect the distinct regulatory and competitive environments in which public and private sector banking institutions operate within India's financial sector.

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43. (B) Abolishing BSRBs – Granting autonomy to individual banks in framing recruitment strategies.
The abolition of the Banking Services Recruitment Board was a significant reform that granted individual banks the autonomy to design their own recruitment strategies. This shift allowed banks to better align their hiring processes with their specific business needs and organizational culture. Centralized recruitment was replaced by a more flexible, bank-specific approach to acquiring talent.

44. (D) Hardware Network Maintenance
Developmental HR functions focus on enhancing the capabilities and career paths of employees. These typically include talent management, competency mapping, and succession management. While hardware network maintenance is vital for banking operations, it is a technical or IT infrastructure function rather than a human resource development activity aimed at managing and growing the bank's internal talent.

45. (C) Ensuring prudent commercial decisions are treated leniently unless found to be malicious.
To encourage a culture of devotion and prudent risk-taking, banks must ensure that commercial decisions made in good faith are not unfairly penalized. When employees feel that their professional judgment is respected and only malicious actions are punished, they gain the confidence to perform their duties effectively. This environment promotes better decision-making and reduces fear-based paralysis.

46. (B) Wage settlement of 2015
The uniform Medical Insurance Scheme was a significant addition to employee benefits in the banking sector, implemented during the wage settlement of 2015. This scheme provides comprehensive hospitalization coverage for both serving employees and retired personnel, along with their family members. Such benefits are essential for ensuring the health security and overall welfare of the workforce.

47. (C) Assertion (A) is true, but Reason (R) is false.
It is increasingly important for representative unions to adopt a conciliatory approach to find workable solutions in a competitive environment. While there is some realization among the workforce that survival depends on changing attitudes, this realization is often not yet fully adequate to meet the growing needs of the institution. Continuous effort is required to align union philosophies.

48. (A) I and II only
Performance Management Systems are designed to ensure that employee outputs are aligned with organizational goals. In public sector banks, this involves using specific formats to measure officer performance against annual budgets and targets. Unlike the mandated formats in PSBs, private sector banks have more flexibility and are not required to follow government-devised Key Responsibility Areas.

49. (A) The primary emphasis needs to be on integrating human resource strategies with the business strategy.
In the modern, dynamic banking environment, the primary emphasis of human resource management must be on integrating HR strategies directly with the overall business strategy. This alignment ensures that talent management, recruitment, and training efforts support the bank's competitive objectives. HR departments must act as strategic partners in organizational planning and implementation to ensure success.

50. (C) To reward performance and motivate continued high achievement within systemic constraints.
Banks introduce spot awards and best performer awards to recognize and reward exceptional performance within the constraints of fixed wage structures. These incentives are designed to motivate employees by providing immediate or special recognition for high achievement. By highlighting merit, the bank encourages a culture of excellence and aims to retain and engage its most productive staff members.

51. (D) P-2, Q-4, R-3, S-1
Modern banking uses diverse methods for training and evaluation. E-learning utilizes digital technology for broad knowledge delivery. The Assessment Centre Approach provides a comprehensive evaluation using multiple techniques and observers. Management games simulate business scenarios to test analytical

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skills. Psychometric tests evaluate psychological and cognitive attributes, helping ensure a better fit during the employee selection or development process.

52. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Senior officials in many banks receive performance bonuses, often including stock options, to align their interests with organizational success. While base salary increments are tied to performance appraisals, these additional rewards provide a generous incentive for those who truly excel. This reward structure is a key component of attracting and retaining high-level executive talent in the industry.

53. (C) P-2, Q-1, R-3, S-4
The evolution of banking involves several key themes. Deregulation and the entry of foreign banks have increased competition and changed capital dynamics. Prudential norms have enhanced financial transparency and disclosure. The focus on retail products addresses the needs of a demanding customer base. Finally, extensive computer technology has driven the transition toward efficient, real-time management information systems.

54. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Organizations are increasingly transitioning toward flat structures to facilitate faster and more continuous communication. As technology enables a wider span of control, traditional multi-layered or tall hierarchical structures become redundant. These flatter designs allow for quicker decision-making and a more agile response to market changes, which is essential in the competitive and technology-driven banking sector.

55. (A) A 360-degree system involving peers, customers, and subordinates.
A 360-degree feedback system is a developmental tool that provides a holistic view of an employee's performance. By gathering input from peers, subordinates, and customers in addition to supervisors, the bank can achieve a more balanced assessment. Implementing such a system helps identify areas for improvement and professional growth that a traditional top-down appraisal process might miss.

56. (A) Wages covered by bilateral agreements at the industry level through the Indian Banks' Association.
Wage formulation in Public Sector Banks is primarily governed by industry-level bilateral agreements. These settlements are negotiated through the Indian Banks' Association and typically cover five-year periods. This centralized approach ensures a degree of uniformity in compensation across various public sector institutions, though individual banks may offer certain performance-linked incentives within these broader industry-wide settlement frameworks.

57. (D) Encouraging the overlapping of roles to increase manpower wastage
Revamping job roles in banks is intended to align responsibilities with the modern computerized environment and systems like Core Banking Solutions. It aims to clarify authority and accountability patterns to improve efficiency. Deliberately encouraging overlapping roles or manpower wastage would be counterproductive to these goals, which seek to optimize the use of human resources across the organization.

58. (A) The business environment is highly predictable, static, and exclusively governed under a weak regulatory framework.
The modern banking business environment is far from static or predictable; it is highly competitive and operates under a strong regulatory framework. In this context, management has become a complex system where knowledge is a critical factor. HR departments must be agile, ensuring the right talent is available to maintain competitiveness through their skills, attitudes, and professional knowledge.

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59. (C) P-2, Q-1, R-4, S-3
Modern HR concepts lead to specific organizational benefits. Multi-skilling enhances core competencies and provides administrative flexibility. Eliminating hierarchical tiers speeds up decision-making and clarifies reporting lines. Viewing HR as a profit center ensures the return on human capital exceeds its costs. Fast-track

promotion channels help retain high performers by reducing the time required for their career advancement.

60. (B) A uniform wage package built on a socialistic pattern and bilateral settlements.
Public Sector Banks operate within the systemic constraint of uniform wage packages based on a socialistic pattern. These packages are the result of bilateral settlements at the industry level, which limit the ability of individual banks to deviate significantly in base pay. To manage performance, banks must look for other incentives and rewards that fit within this framework.

61. (C) To facilitate reduced eligibility for proven performers and build quick succession pipelines.
The 'Fast Track channel of promotions' is a strategic HR intervention designed to accelerate the career growth of high-performing employees. By reducing the standard eligibility period for promotions, banks can build a strong pipeline of future leaders. This mechanism helps in retaining talented staff who might otherwise seek faster advancement opportunities in the private banking sector.

62. (A) IV, II, III, I
The employee lifecycle begins with attraction, where potential candidates are drawn to the organization. This is followed by recruitment, where the best fits are selected. Once hired, employees go through on-boarding to integrate into the company. Finally, the development stage focuses on ongoing training and growth throughout their tenure with the organization to ensure long-term value and engagement.

63. (A) I and II only
Manpower planning is a long-term process that often takes more time to become operational than business planning. For this reason, HR departments should ideally work on manpower plans at least two years in advance. While HR must align with business goals, its primary function remains the strategic management and planning of human resources to meet future organizational needs.

64. (C) Development and Retention
Grooming high performers for greater responsibilities is a constructive intervention that falls under the development and retention stages of the employee lifecycle. Development focuses on enhancing the skills and knowledge of the workforce, while retention strategies ensure that these valued employees remain engaged and committed to the organization over the long term in a competitive market.

65. (A) I, II, III, and IV only
Recommended HR strategies include thorough HR planning, strategic talent sourcing for an early fit, and minimizing errors in selection. Revamping training toward experiential learning is also vital. In contrast, operating the performance management function loosely without distinguishing performers is not a recommended strategy, as it fails to motivate excellence and manage the bank's talent effectively.

66. (A) A platform merging communication and information technology to suit core banking needs.
Core Banking Solutions represent a strategic integration of communication technology and information technology tailored for banking needs. This platform allows banks to centralize their record-keeping and provide services across a network of branches. It enables customers to access their accounts and perform transactions from any member office, significantly enhancing convenience and overall operational efficiency.

67. (C) It centralized all recruitment strategies into a single national governmental body.
The abolition of the Banking Services Recruitment Board was intended to decentralize recruitment, not centralize it. By removing this national governmental body, the government granted individual banks the autonomy to develop their own recruitment strategies. This change aimed to improve efficiency and allow banks to hire staff that better fit their specific operational requirements and organizational cultures.

68. (B) An organizational method to visualize employee engagement over seven distinct stages.
The employee lifecycle is a conceptual framework used in organizational management to visualize the various stages of an employee's engagement with a company. It typically identifies seven distinct stages, from initial attraction and recruitment to development and eventual

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separation. This model helps HR departments design targeted strategies for each phase to improve the overall employee experience and retention.

69. (A) Attrition and retention of key talents
The departure of talented young executives to sectors like financial advisory services highlight the major HRM challenge of attrition. Retaining key talent is difficult in a competitive market where skilled individuals have many career options. Banks must develop robust retention policies and engagement strategies to keep their most valuable employees from leaving for rival firms or related sectors.

70. (C) A classic example of the change in bank employees' traditional mindset towards high-end technology.
The computerization agreement of 1993 was a landmark event in Indian banking history. It signaled a fundamental change in the traditional mindset of bank employees, who historically resisted high-end technology. By accepting and adopting these technological changes, the workforce enabled the transition toward modern, efficient banking operations that could compete with the newly entering private sector banks.

71. (A) System integration – Interconnected by means of communication lines like telephones, satellite, internet
System integration in a core banking environment involves interconnecting branches through various communication lines such as satellite, internet, and telephones. This connectivity is what allows for real-time transaction processing and centralized record-keeping. It stands in contrast to traditional, localized systems where each branch maintained its own records independently without the benefit of a shared digital network.

72. (B) Facilitating quicker decisions and speeding up the communication processes.
Eliminating unnecessary hierarchical layers within an organization directly streamlines communication and speeds up the decision-making process. By reducing the number of levels information must travel through, the bank can respond more quickly to market demands and operational issues. This flatter structure is more agile and efficient, which is crucial in a technology-driven and highly competitive banking landscape.

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73. (D) Handle performance with rigor using a 'carrot and stick' approach to transform non-performers.
To effectively manage performance, an organization must be willing to distinguish between high performers and non-performers. This often involves a 'carrot and stick' approach, where rewards motivate excellence and consequences address underperformance. Handling performance with rigor ensures that the workforce remains productive and aligned with organizational goals, which is essential for institutional success in any competitive market.

74. (C) P-4, Q-1, R-3, S-2
Strategic HR actions address specific challenges. Employee selection requires thorough background checks to prevent fraud. Ensuring a job-man fit involves robust competency mapping. Performance management is handled through a 'carrot and stick' approach to distinguish levels of performance. Managing attrition of key talent requires well-designed policies for employee engagement and long-term talent retention across the bank.

75. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Core banking solutions are fundamentally built on advanced computer and network technology. This infrastructure is what enables a bank to centralize all its records in a single database. Because the records are centralized and networked, customers can access their accounts and conduct transactions from any location within the bank's system, providing seamless service across all branches.

76. (A) I, II, and V only
HR departments are now seen as an integral part of management, actively involved in business planning. Global trends show that organizations are becoming flatter and leaner through process re-engineering. While HR planning is vital, it typically takes longer than business planning to implement. Successful HR professionals must move beyond rigid rule adherence toward

strategic, flexible, and innovative organizational thinking.

77. (D) The 'carrot and stick' approach
By strictly linking performance to an incentive and reward scheme, the bank utilizes a 'carrot and stick' management approach. High performers receive rewards (the carrot), while lack of performance results in a lack of rewards or other consequences (the stick). This method is used to clearly distinguish and motivate different levels of productivity and contribution among the staff.

78. (D) That institutional survival depends on softening their traditional attitudes and philosophies.
The shift toward a conciliatory approach by workforce unions stems from the realization that their survival is tied to the success of the institution. In a highly competitive environment, traditional rigid philosophies can hinder the bank's ability to adapt. Softening these attitudes and seeking workable solutions is necessary for both the employees and the bank to thrive.

79. (B) P-2, Q-4, R-3, S-1
Each stage of the employee lifecycle represents a different phase of the relationship with the organization. Attraction is about drawing potential candidates. On-boarding focuses on integrating new hires into the system. Retention involves ongoing efforts to keep key talent engaged and prevent them from leaving. Separation is the final stage where an employee exits the organization.

80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Retaining key talent has become a critical challenge for all types of banks due to increased competition for skilled professionals. Many experienced bankers are choosing to move into specialized financial sectors like wealth management and broking, which often offer different rewards or opportunities. This trend underscores the need for banks to develop effective retention policies and engagement.

81. (C) TCS and Infosys
Major technology firms like TCS and Infosys are prominent developers of Core Banking Solutions packages. They provide the necessary software and infrastructure that allow banks to centralize operations and offer networked services. These external vendors play a crucial role in the technological modernization of the banking sector, offering specialized solutions that individual banks might not develop internally.

82. (A) It eases administrative constraints in utilizing employees according to changing business demands.
Multi-skilling is highly compatible with flatter organizational structures because it increases workforce flexibility. When employees are trained in multiple areas, management can more easily reassign them based on changing business needs. This reduces administrative constraints and allows the organization to operate efficiently with fewer hierarchical levels, as staff can take on a broader range of professional responsibilities.

83. (D) Dr. Bimal Jalan
Dr. Bimal Jalan, a former Governor of the Reserve Bank of India, emphasized that while technology and capital can be replicated by competitors, human capital remains unique. This perspective highlights the strategic importance of the workforce as a source of sustainable competitive advantage. It underscores why investment in human resource development is essential for the long-term success of banks.

84. (C) Ensuring a precise 'Job-man fit'
Competency mapping is a strategic HR tool used to identify the specific skills, knowledge, and behaviors required for various roles. By mapping these competencies, a bank can ensure a more precise 'job-man fit,' placing individuals in positions where their strengths are most effectively utilized. This systematic approach leads to improved performance, higher job satisfaction, and more efficient operations.

85. (C) Collective Bargaining
The employee lifecycle model traditionally includes stages like attraction, recruitment, on-boarding, development, retention, separation, and advocacy. These stages focus on the individual employee's journey with the company. While collective bargaining is an important aspect of labor relations and human resource management, it is not considered one of the

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specific stages of an individual's professional lifecycle within the organization.

86. (B) Re-organization process – Started by banks exclusively without the help of any consultants.
The reorganization process in many banks was not conducted by the banks alone; rather, it often involved the significant help and expertise of external consultants. These consultants brought fresh perspectives and specialized knowledge to help banks modernize their structures and HR practices. Other changes, like the 1993 computerization agreement, correctly reflect the industry's evolving mindset and technological progress.

87. (B) P-4, Q-2, R-1, S-3
Core banking services are delivered through various environments. ATMs are electronic self-service machines. Internet banking occurs via web browsers on computers. Mobile banking involves transactions on portable devices like smartphones. Traditional branch offices are physical locations where customers can receive in-person services. These diverse channels ensure that customers have multiple ways to access their bank's services conveniently and efficiently.

88. (D) I, II, III, and IV
Leadership figures like Dr. Bimal Jalan, Jack Welch, and Nancy Rothbard have all emphasized the strategic importance of human resources. They view HR as a critical function that must act as a strategic partner to the business. Their perspectives highlight that the effective allocation and development of people are as important as technology in achieving excellence and competitive advantage.

89. (B) A service by networked branches allowing customer access from any member office.
Core banking is fundamentally defined as a service provided by a network of bank branches that allows customers to access their accounts and perform transactions from any member office. This system relies on centralized record-keeping and telecommunications technology. It has transformed banking by removing the need for customers to visit their specific home branch for every service, enhancing accessibility.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Conducting thorough and meaningful background checks on new employees is essential for maintaining the integrity of a banking institution. These checks help ensure that new entrants possess the required ethical standards, which in turn protects the bank from potential internal fraud and cybercrimes. By investing in this process, banks build their ethical wealth and foster security and trust.

91. (B) The use of advanced ledger posting machines, which mirrored ledger accounts.
Before the full implementation of Core Banking Solutions, Indian public sector banks relied on Advanced Ledger Posting Machines. these machines were essentially mirror images of physical ledger accounts and represented a significant limitation in technological capability. Overcoming this reliance allowed banks to transition to fully integrated, real-time networked systems that offer much greater efficiency and a wider service range.

92. (C) P-2, Q-1, R-4, S-3
The banking industry uses several specialized software packages for its core operations. Flexcube was developed by iFlex Solutions, while Finacle is an Infosys product. B@ncs is the core banking software from TATA Consultancy Services. Historically, before these modern solutions, public sector banks across India relied on Advanced Ledger Posting Machines to manage their daily accounting and record-keeping tasks.

93. (C) Both I and II
Core banking is most commonly associated with retail banking, as it treats individual retail customers as the primary users of its networked services. Corporate banking, which involves managing large business accounts, is typically handled by a separate division within the bank. Both of these statements correctly describe the standard operational focus and organizational structure within the modern core banking solution environment.

94. (C) The personal chop or Inkan
In Japan, banking operations still place a high value on physical evidence and traditional

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practices. A key example of this is the continued requirement for the 'Inkan' or personal chop, which serves as a unique physical stamp for authorizing documents and transactions. This reliance on physical verification is a distinct cultural and operational characteristic that contrasts with the digital-only approach.

95. (A) The IT infrastructure for core banking has existed in India for over fifty years.
Core banking technology has not existed in India for over fifty years. Instead, it represents a more recent development. For a long period, public sector banks were limited to using ledger posting machines. The real quantum leap in technology occurred much later, starting around 1993 with the entry of new generation banks, which spurred competition and pushed nationalized banks to modernize.

96. (D) I, II, and III
Modern core banking software is designed to handle a wide array of essential banking functions. It automatically records all transactions and maintains digital passbooks. The software also performs complex calculations, such as interest on various types of loans and deposits. Furthermore, its networked nature facilitates anywhere banking, allowing customers to withdraw funds and access services from any branch.

97. (A) Communication technology and information technology
The seamless delivery of anywhere banking services is made possible by the integration of communication technology and information technology. Communication tech provides the networking lines, such as satellite and internet, that link different locations. Information technology provides the software and databases to process and store data. Together, they create a unified platform that allows for real-time access to accounts.

98. (A) I, II, and III only
The shift in Indian banking began with the replacement of simple ledger posting machines. The advent of new private banks in 1993 was a major catalyst for this change, as public sector banks feared losing business, especially from younger, tech-savvy customers. Contrary to being resistant, many cooperative banks have also moved toward adopting centralized core banking solutions to stay relevant.

99. (B) II, III, IV, and V only
In Japan, core banking is not as universally advanced in rural areas as it is in some other regions. This is partly due to lower consumer demand and a preference for in-person visits to registered branches. Additionally, Japanese banks have traditionally been slower to place ATMs outside bank premises and still maintain a strong reliance on physical evidence like the personal stamp.

100. (D) It renders core banking impractical due to low demand and registered branch visits.
In the Japanese market, cultural and operational factors make the deployment of full-scale core banking less practical than in other countries. The combination of low consumer demand for digital services, a preference for in-person branch visits, and the continued reliance on physical stamps like the Inkan creates significant barriers. These factors collectively hinder the widespread adoption and effectiveness of core banking solutions.

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CHAPTER 05
Knowledge Management

May/June 2016

1. Match the concepts related to managing knowledge with their descriptions:
List I: (Concepts)
P. Know-what
Q. Know-how
R. Traditional western epistemology
S. Explicit knowledge
List II: (Descriptions)
1. Focuses on absolute, static and non-human view of knowledge
2. Something people carry round in their minds and pass on to each other
3. Component of knowledge which can be codified and transmitted in a prescribed language
4. Embraces the ability to put into practice

(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-3, S-1
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2009

2. A credit manager is reviewing a complex loan proposal and is struggling to objectively assess the associated risks using conventional methods. The bank recently implemented a Knowledge Management initiative that includes advanced software. Which specific development should the manager utilize to extract inputs and take a more informed credit decision?
(A) Database Management System (DBMS)
(B) Document Management System (DMS)
(C) Knowledge Discovery and Data Mining (KDD)
(D) Value Chain Audit (VCA)

May/June 2023

3. A newly appointed CEO of a large commercial bank observes that despite heavy investments in physical infrastructure, customer loyalty is declining. To align with international best practices like Basel II and risk management, the CEO decides to focus on intellectual capabilities. What intervention is most appropriate to ensure business growth and profitability?
(A) Returning to conventional methods to stabilize current internal operations
(B) Relying on deregulation initiatives led by government financial bodies
(C) Applying strategic knowledge to enhance value and customer satisfaction
(D) Downsizing the workforce to minimize long-term administrative costs

Oct/Nov 2018

4. To build and sustain a Knowledge Management system, what is considered the fundamental and most difficult part?
(A) Procuring the latest Data Mining software for analytical processing.
(B) Setting up an expansive IT infrastructure with high-speed intranets.
(C) Inducing a cultural and behavioral change in the desire to share knowledge.
(D) Replacing the existing workforce with externally hired knowledge workers.

May/June 2007

5. Read the following statements and select the correct option:
Assertion (A): Traditionally, tangible assets have been considered the most important corporate asset, with intangible assets relegated to a minor role.
Reason (R): Intangible assets are easily copied by competition, forcing organisations to take steps to protect them.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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Oct/Nov 2025

6. Match the letters of the RAKID approach with their corresponding meanings:

List I: (Letters)

P. R
Q. K
R. I
S. D

List II: (Meanings)

1. Having the necessary information which is reflected to produce
2. Data is collected, stored and processed to create the information
3. Ensuring Worthwhile Results
4. Procuring the knowledge which is the basis for the action

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2012

7. The shift in banking from a 'labour-intense enterprise' to a 'knowledge-driven economy' means the futuristic outlook largely depends on:

(A) The tangible assets held by the banks
(B) Building and nurturing intellectual capital
(C) Expanding the reach of branch networks
(D) Reducing the burden of regulatory compliance

Oct/Nov 2014

8. Consider the following statements about the significant features of Knowledge Management:

I. KM initiatives can substantially contribute towards cost cutting, product and process innovations.
II. It is always possible to establish a direct relationship between investment in KM and its impact on profitability like ROI.
III. Organisational value gets enhanced progressively as knowledge is used, unlike physical assets.
IV. KM ensures the availability of relevant information regarding customers and competitors.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, III, and IV

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May/June 2019

9. Match the components/features of KM with their corresponding descriptions:

List I: (Components)

P. Physical assets
Q. Organisational knowledge
R. Learning Organisation
S. Knowledge network

List II: (Descriptions)

1. Value gets enhanced progressively as it is used
2. Skilled at creating, acquiring, and transferring knowledge and modifying behaviour
3. Deteriorate in value over a period of time
4. Measured by the extent to which it supports and promotes reciprocity

(A) P-1, Q-3, R-2, S-3
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2006

10. An IT firm appoints an executive to identify knowledge assets within the company that reside in individual employees and set up a mechanism to share this knowledge across remote departments. The ultimate goal is to create a new clientele base. What is the designation typically given to this executive?

(A) Chief Executive Officer (CEO)
(B) Chief Operating Officer (COO)
(C) Chief Knowledge Officer (CKO)
(D) Chief Information Officer (CIO)

May/June 2021

11. An executive responsible for KM implementation in a bank notices that a group of highly skilled employees strictly guard their expertise and refuse to share their insights with newly joined staff. What term best describes these employees, and what is the primary issue the executive must address?

(A) Knowledge Harvesters; technological issue
(B) Learning Organisations; infrastructural issue
(C) Communities of Practice; procedural issue
(D) Knowledge Islands; attitudinal issue

Oct/Nov 2010

12. Consider the following statements regarding the banking sector transformation:

I. Managing the challenges of globalisation requires banks to constantly innovate new products and emerging areas of business.
II. State-owned banks have been given managerial and operational autonomy by leaving many aspects of business importance to the prudence of banks' boards.

Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2005

13. A mid-sized commercial bank wishes to drive its workforce towards becoming a 'Learning Organisation'. The management implements programs not only to acquire and transfer knowledge but also to ensure employees modify their behaviour to reflect new insights. What habit is the management primarily trying to inculcate?
(A) Inculcating continuous learning to reflect new insights
(B) Maintaining routine operational adherence to standards
(C) Ensuring rigid compliance to established legacy systems
(D) Strengthening centralized decision making within groups

Oct/Nov 2022

14. Identify the incorrect statement regarding the types of knowledge.
(A) Tacit knowledge is built out of experience and stored in the minds of people.
(B) Explicit knowledge includes documents, databases, webs, e-mails, and charts.
(C) Tacit knowledge is easily converted into value without a structured approach.
(D) Knowledge management involves intensive dialogues and team-based experience sharing.

May/June 2018

15. When the DIKAR model is turned upside down and approached as RAKID, what does 'A' represent?
(A) Analyzing previous results
(B) Assessing internal credit risks
(C) Activating centralized systems
(D) Taking action that generates data

Oct/Nov 2016

16. Which of the following is identified as a key driver of change in the Indian Banking and Financial Sector?
(A) Information Technology
(B) Voluntary Retirement Scheme
(C) Increase in physical assets
(D) Command and control approach

May/June 2014

17. Identify the incorrect statement regarding the application and dimensions of KM.
(A) A cultural change in propensity to share knowledge is the easiest part of knowledge management.
(B) KM initiatives can significantly contribute towards customer service and support CRM initiatives.
(C) Technology is the most visible and tangible of the three components of KM: people, process, and technology.
(D) Organising knowledge fairs and workshops brings people together to share experiences.

Oct/Nov 2007

18. Consider the following statements regarding tacit knowledge:
I. It is personal, intuitive, contextual, and difficult to formulize, record or articulate.
II. It constitutes about 30% of all organisations' knowledge base.
III. It is built out of experience and is stored in the minds of people.

Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2025

19. Read the following statements and select the correct option:
Assertion (A): It may not be possible to establish any direct relationship between investment in KM and its impact on profitability like ROI.
Reason (R): KM seeks to transform the entire organisation by bringing about desired qualities such as openness in interpersonal communications and avenues for continuous learning.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of

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Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

20. In the context of managerial knowledge integration, how does 'Know-how' differ from 'Know-what'?
(A) Know-how embraces the ability to put Know-what into practice.
(B) Know-how is the information carried in people's minds, while Know-what is the ability to put it into practice.
(C) Know-how refers to codified documents, while Know-what refers to intuitive knowledge.
(D) Know-how is related to explicit knowledge, whereas Know-what relates exclusively to databases.

May/June 2009

21. In a Knowledge Management context, what is the exact chronological sequence of elements when starting from results and working backwards towards data?
(A) Data, Information, Knowledge, Action, Results
(B) Results, Action, Knowledge, Information, Data
(C) Results, Knowledge, Action, Data, Information
(D) Data, Action, Results, Knowledge, Information

Oct/Nov 2011

22. Which component of knowledge is defined as being capable of being codified and transmitted in a methodical and prescribed language?
(A) Tacit knowledge
(B) Explicit knowledge
(C) Intuitive knowledge
(D) Dynamic knowledge

May/June 2010

23. Which of the following best defines 'Knowledge Management'?
(A) A technological process encompassing only the accumulation of tangible assets and databases.
(B) The absolute and static storage of data in central servers without any human intervention.
(C) An epistemological study focusing purely on the non-human view of complex data structures.
(D) A holistic approach to capture collective wisdom and knowledge for organizational use.

Oct/Nov 2024

24. Identify the correct statement regarding the value of assets in an organisation.
(A) Both physical assets and organisational knowledge deteriorate in value over a period of time.
(B) Organisational knowledge value remains static, whereas physical assets appreciate.
(C) Physical assets enhance in value progressively, while knowledge assets depreciate through use.
(D) Knowledge value increases through use, unlike physical assets which deteriorate over time.

May/June 2017

25. Consider the following statements regarding Knowledge Management features:
I. KM improves the competency profile of employees.
II. In knowledge intensive companies in the US, the real value can be as high as 10 times their book value.
III. KM provides inputs in assessing risks associated with loan proposals.
IV. KM restricts continuous learning to prevent modification of behaviour.
V. Face to face contact is an important pre-requisite to effective computer based knowledge networking.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

Oct/Nov 2005

26. Identify the correct statement regarding the transformation in the Indian Banking Sector.
(A) Public Sector Banks remain under strict regulatory frameworks with limited autonomy.

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(B) Conventional business methods have been entirely replaced by manual ledger processes.
(C) Banks currently operate in a sellers' market where customer expectations remain static.
(D) Technological revolutions have modernized market dynamics and delivery channels.

May/June 2020

27. In the DIKAR model (Data, Information, Knowledge, Action, Results) recommended for banks, what does 'R' stand for when approached in a reverse process as RAKID?
(A) Ensuring Worthwhile Results
(B) Relational databases
(C) Return on Investment
(D) Rapid Action

Oct/Nov 2015

28. All of the following are key drivers for a Knowledge Management initiative, EXCEPT:
(A) Decreased complexity of business and management
(B) Rapid advances in Information and Communication Technology
(C) Increased mobility of workforce
(D) Faster pace of innovation because of growing industry competition

May/June 2013

29. Read the following statements and select the correct option:
Assertion (A): Knowledge Management programs are bound to fail if not supported by leaders through their active participation.
Reason (R): Technology dominates KM initiatives, and cultural change among people is not required for a successful KM system.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

30. What percentage of all organisations' knowledge base is estimated to be constituted by tacit knowledge?
(A) 30%
(B) 50%
(C) 70%
(D) 90%

May/June 2024

31. Read the following statements and select the correct option:
Assertion (A): Reluctance of 'Knowledge Islands' to share their knowledge is a major difficulty in effective KM implementation in banks.
Reason (R): These tendencies are purely infrastructural issues that can be solved entirely by installing better Information Technology tools.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

32. Consider the following statements regarding the retention of intellectual capital:
I. Retaining talent requires employing attractive HR interventions.
II. The quality of performance in management upon how effectively banks manage their key knowledge assets.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2006

33. Consider the following statements regarding Customer Experience Management (CEM):
I. It involves understanding the customers, their preferences, dislikes, and reasons for choosing another bank.
II. It forms a minor and insignificant part of the decision-making tool in banking.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

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Oct/Nov 2017

34. Which KM technology brings together key information pieces vital for an organisation's survival by focusing on information, public relations, and market intelligence needs, helping to integrate the organisation with its customers?
(A) Online Discussion Forums
(B) Intranets
(C) Document Management Systems
(D) Web Intelligence

May/June 2008

35. KM can facilitate competitiveness by contributing to the three generic competitive strategies. Which of the following correctly lists these three strategies?
(A) Cost Leadership, Differentiation, and Focus
(B) Cost Reduction, Integration, and Expansion
(C) Aggressive Marketing, Diversification, and Localization
(D) Market Penetration, Product Development, and Cost Control

Oct/Nov 2013

36. Identify the correct characteristic of an effective dashboard.
(A) The displayed data is automatically updated without any assistance from the user.
(B) It requires extensive scrolling across multiple computer screens to view all visualizations.
(C) It is designed exclusively for executives and is too complex for the general workforce.
(D) Interactivity such as filtering is mandatory to see which performance indicators are underperforming.

May/June 2015

37. A traditional bank operating under a "Command and Control" style of management decides to transition towards a KM-based approach to improve operational efficiency. To achieve effective KM processes, what behavioral shift must the management encourage among its employees?
(A) Free communication methods and participative management
(B) Strict adherence to rules and regulations without questioning
(C) Siloed working environments
(D) Complete reliance on explicit knowledge over tacit knowledge

Oct/Nov 2012

38. Match the KM challenges/concepts with their appropriate descriptions in the banking context:
List I: (Concepts)
P. Follow the Rule style
Q. Knowledge Islands
R. Contribution to Corporate Memory
S. Customer Experience Management
List II: (Descriptions)
1. Understanding customers, their preferences, and dislikes
2. A Key Result Area to encourage sharing of explicit and tacit talents
3. Traditional management style that discouraged innovation
4. Employees reluctant to share knowledge for the general good
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-2, R-3, S-4

May/June 2011

39. In information technology, a visual display of the most important information needed to achieve one or more objectives, consolidated and arranged on a single screen so the information can be monitored at a glance, is known as a:
(A) Data Warehouse
(B) Groupware
(C) Intranet Web Server
(D) Dashboard

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Oct/Nov 2020

40. Identify the incorrectly matched pair regarding KM in banks:
(A) CKO - Chief Knowledge Officer
(B) KDD - Knowledge Discovery and Data Mining
(C) BFSI - Banking, Finance and Insurance
(D) KRA - Key Resistance Area

May/June 2022

41. Identify the incorrect statement regarding Data Management and IT in banks.
(A) Centralized Data Warehouse should be in a position to provide readily the required information called for.
(B) Undue delay at the Centralized Data Processing Unit enhances the quality of customer service.
(C) Total automation and inter-connectivity

among branches provide anywhere banking experience.
(D) The front office staff often blame the Centralized Data Processing Unit for delays.

Oct/Nov 2023

42. Consider the following statements regarding the role of a Chief Knowledge Officer (CKO) in a bank:
I. The CKO is usually in the rank of Asst. General manager/Dy. General Manager.
II. The CKO is exclusively responsible for managing the entire portfolio of KM in the bank.
III. Responsibilities include identifying knowledge needs and sources of knowledge.
IV. The CKO ensures that acquired knowledge is tightly restricted and never shared among the workforce.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, III, and IV

May/June 2016

43. During the preparatory stage of KM implementation, a bank wishes to measure the current creation of knowledge and the sharing culture within its departments. What specific audit exercise should the bank conduct to pinpoint current and future knowledge requirements?
(A) Financial and Statutory Audit
(B) Value chain audit and knowledge chain creation audit
(C) Internal Information System Audit
(D) Quality Assurance Audit

Oct/Nov 2009

44. Identify the correct statement regarding organizational knowledge in banks.
(A) Tangible assets form 90% of organizational knowledge.
(B) Knowledge sharing is rewarded in all public sector banks.
(C) Human capital is less than 10% of total knowledge.
(D) People constitute up to 90% of organizational knowledge.

May/June 2023

45. How does Data Mining differ fundamentally from a Data Warehouse in the context of KM tools?
(A) Data Mining creates storage, while Data Warehouse is an analytical tool.
(B) Data Mining is for video conferencing, while Data Warehouse is for documents.
(C) Data Mining finds correlations, while Data Warehouse provides complex data sets.
(D) Data Mining generates tacit knowledge, while Data Warehouse generates groupware.

Oct/Nov 2018

46. Recognizing high attrition rates, a bank decides to introduce incentives for employees who share their expertise, incorporating a specific metric into their Annual Performance Appraisal. What is this specific Key Result Area (KRA) known as?
(A) Return on Tangible Assets
(B) Contribution to Corporate Memory/ Intellectual capital
(C) Customer Experience Management Index
(D) Knowledge Discovery and Data Mining Ratio

May/June 2007

47. With AI, algorithms in robo-advisors can operate at costs less than 100 basis points. In comparison, what is the cost associated with traditional brokers?
(A) 0.5 - 1%
(B) 1 - 2%
(C) 2 - 3%
(D) 4 - 5%

Oct/Nov 2025

48. Identify the correctly matched pair regarding KM applications:
(A) Customer Experience Management (CEM) - Deteriorating organizational value over time
(B) Value Chain Audit - Measuring the creation of knowledge and sharing of culture
(C) Knowledge Islands - Employees eager to share their knowledge across the organization
(D) Explicit Knowledge - Intuitive and difficult to formulate

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May/June 2012

49. A public sector bank is losing market share to new generation banks. To address behavioral issues that prevent knowledge sharing, what specific policy measure should the bank adopt?
(A) Update HRM policies with rewards for knowledge sharing
(B) Implement a stricter Command and Control hierarchy
(C) Outsource intensive tasks to external consultants
(D) Eliminate appraisals to reduce employee stress

Oct/Nov 2014

50. Consider the following statements regarding Knowledge Management Applications in Banks:
I. Many reputed banks worldwide have recognised knowledge of their employees as the most valuable asset.
II. Banks in India have universally adopted KM as a strategic weapon, completing their transition away from intellectual capital.
III. Sharing people's knowledge makes it helpful for the organisation as a whole and can be recorded for future use.
IV. Incorporating rewards/incentives in HRM policies can solve cultural issues related to knowledge sharing.
V. KM helps in putting into practice generic competitive strategies like Cost Leadership, Differentiation, and Focus.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, IV, and V

May/June 2019

51. Identify the correct statement regarding Groupware and Workflow systems.
(A) Groupwares codify knowledge transfer processes like proposal generation.
(B) Workflow systems are for informal conversations in non-real time.
(C) Workflow systems are primarily search engines for corporate repositories.
(D) Groupwares help exchange and enhance tacit knowledge in workgroups.

Oct/Nov 2006

52. Read the following statements and select the correct option:
Assertion (A): The traditional work culture in banks has inadvertently contributed to a low enthusiasm for Knowledge Management.
Reason (R): The traditional culture encouraged a "Command and Control" approach which discouraged innovation and the desire for a better knowledge base.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

53. Which of the following is NOT mentioned as a problem banks face while implementing Knowledge Management?
(A) A typical closed mindset developed among those who manage banks.
(B) Strong unions protecting inefficiencies leading to low enthusiasm for KM.
(C) Information overload caused by excessive financial and IT resources.
(D) Strict adherence to operating procedures limiting custom service development.

Oct/Nov 2010

54. According to a survey conducted by Narrative Science in conjunction with the National Business Research Institute, what percentage of financial services executives surveyed confirmed using AI technologies?
(A) 12%
(B) 32%
(C) 50%
(D) 70%

NODIA

May/June 2005

55. A bank wants to analyze whether a customer fully depends on them for all transactions or only uses them for a few transactions. Which management tool should be employed?
(A) Customer Experience Management (CEM)
(B) Database Conquest Marketing
(C) Knowledge Chain Creation Audit
(D) Traditional Record Keeping

Oct/Nov 2022

56. Consider the following statements regarding the implementation of Knowledge Management systems in banks:

I. In the preparatory stage, banks help employees make an effort to understand critical business processes.
II. Value chain audit and knowledge chain creation audit are conducted to measure the creation of knowledge.
III. KM systems developed are completely isolated from performance appraisal and role definition.

Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2018

57. Intranets can be divided into two components: the technology infrastructure and the web server. Which of the following is considered part of the technology infrastructure rather than the web server content repository?
(A) HTML format and thin client
(B) Data mining algorithms
(C) Artificial Intelligence models
(D) Relational databases

Oct/Nov 2016

58. In a bank's context, the term 'knowledge' essentially refers to:
(A) Tactical Task Distinction
(B) Tangible assets recorded in a standard corporate balance sheet
(C) Adherence to rules and regulations as an organizational end
(D) Hardware infrastructure deployed across regional bank branches

May/June 2014

59. A computer software application that interacts with the user, other applications, and the database itself to capture and analyze data is defined as:
(A) Knowledge Intensive Firm (KIF)
(B) Customer Relationship Management (CRM)
(C) Database Management System (DBMS)
(D) Document Management System (DMS)

Oct/Nov 2007

60. Identify the incorrect statement regarding the future of Indian Banking and Knowledge Management.
(A) Banks will see themselves appointing Chief Knowledge Officers.
(B) KM is a passing trend soon replaced by paper banking.
(C) The future of banking depends on the knowledge economy.
(D) KM involves conscious control and planning of knowledge.

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May/June 2025

61. Arrange the following historical milestones of IT and banking in India in their correct chronological order:
I. Historic settlement between IBA and Trade Unions allowing large scale technology absorption.
II. Establishment of Presidency, Imperial Bank, and Joint Stock Banks.
III. Banking inquiry committee established the Reserve Bank of India.
(A) II, III, I
(B) III, II, I
(C) I, II, III
(D) II, I, III

Oct/Nov 2019

62. Consider the following statements regarding Customer Knowledge and CRM:
I. Customer segmentation can be done based on track record in respect of facilities already availed.
II. Enterprise CRM is a cyclical, closed loop business process.
III. CRM technologies assist in managing customer interactions with the objective of improving business relationships and customer retention.

Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2009

63. All of the following are key characteristics of a dashboard, EXCEPT:
(A) It must require users to manually input and update data on a daily basis.
(B) All visualizations fit on a single computer screen.
(C) It shows the most important performance indicators to be monitored.

(D) It is not designed exclusively for executives but should be used by the general workforce.

Oct/Nov 2011

64. Consider the following statements regarding contemporary IT technologies in KM:

I. Dashboards display data that requires manual daily input by executives.
II. Document management systems are not used as the complete basis for KM because knowledge workers resist highly structured processes.
III. Information retrieval vendors add features like relevancy ranking and natural language querying.
IV. Intranet technology infrastructure includes universal web server, thin client, and IP networks.
V. Workflow systems facilitate preparation of structured and ordered information like proposal generation.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV
(B) II, III, IV, and V
(C) I, III, IV, and V
(D) I, II, IV, and V

May/June 2010

65. Match the specific AI applications or companies with their banking use cases:

List I: (App/Company)
P. Narrative Science
Q. Feedzai
R. Betterment
S. Moven

List II: (Use Case)
1. Conducted a survey on AI adoption with National Business Research Institute
2. Fintech firm promoting robo advisors
3. Mobile banking app for automated, personalized spending recommendations
4. Uses machine learning to evaluate transactions for fraud detection in real-time

(A) P-1, Q-4, R-2, S-3
(B) P-2, Q-3, R-1, S-4
(C) P-4, Q-1, R-3, S-2
(D) P-3, Q-2, R-4, S-1

Oct/Nov 2024

66. Read the following statements and select the correct option:

Assertion (A): Companies like Feedzai use machine learning to maintain operational and challenger models for fraud detection.
Reason (R): Artificial Intelligence can only process data slowly and is unable to respond in real-time to potential fraud.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

67. Identify the incorrect statement regarding the adoption and benefits of AI in Banking.

(A) AI provides the ability for machines to interact and learn to do tasks previously done by humans.
(B) AI is primarily utilized today for risk management and fraud detection.
(C) One of the outcomes of AI is that machine learning degrades over time as more data is processed.
(D) Robo advisors provide automated, algorithm-based portfolio management advice.

Oct/Nov 2005

68. Consider the following statements regarding KM technologies:

I. Brain storming applications are used to convert tacit knowledge into explicit knowledge.
II. Information retrieval engines are used to search through corporate text repositories.

Which of the above statement(s) is/are correct?

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2020

69. Consider the following assumptions regarding database management in Indian Banks:

I. Increased use of systems will enable banks to enhance their quality of performances.
II. Greater involvement of systematized databases leads to quicker overall processing times.
III. Customers becoming lifelong partners

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ensures revenues and creates opportunities for new business from references.

IV. The database management approach only applies to foreign banks operating in India.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

Oct/Nov 2015

70. Match the AI benefits in banking with their corresponding descriptions:

List I: (Benefits)

P. Enhanced Customer Personalization
Q. Productivity Gains
R. Fraud Detection
S. Better Customer Recommendations

List II: (Descriptions)

1. Taking routine, repetitive processes like new customer onboarding and making them highly efficient
2. Monitoring account activity patterns with aberrations being flagged in real time
3. Mobile apps tracking spending and increasing savings with automated advice
4. Use of robo advisors for algorithm-based portfolio management

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-3, R-4, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-4, R-3, S-1

May/June 2013

71. Read the following statements and select the correct option:

Assertion (A): The Centralized Data Warehouse practice ensures a perfect quality of service with absolutely no delays for customers opening or closing accounts.

Reason (R): Inter-connectivity among branches provides an anywhere banking experience, but centralized back office functions can sometimes cause undue delay.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

72. What is the primary objective of Enterprise Customer Relationship Management (Enterprise CRM) in a bank?

(A) Replacing human employees with advanced AI bots.
(B) Creating lifetime value by maintaining the best customers.
(C) Limiting bank services to high-net-worth individuals.
(D) Outsourcing data management to third-party offshore vendors.

May/June 2024

73. Consider the following statements regarding data in the context of AI in banking:

I. AI makes it possible to automate vast amounts of data, analyzing and applying it at record speeds.
II. The absence of people experienced in data collection, analysis and application is one of the biggest challenges remaining.
III. No data firms currently have the capability to collect data from across the organisation to overcome data silos.

Which of the above statement(s) is/are correct?

(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

Oct/Nov 2008

74. Identify the correctly matched pair regarding IT and Database management terms:

(A) Intranets - Used exclusively for converting tacit knowledge into explicit knowledge
(B) Groupware - Used for formal codification of highly structured ordered information
(C) Document Management Systems - Repositories for explicit knowledge, mainly for creating, processing and reviewing documents
(D) Dashboards - Used primarily for natural language querying and summarization

NODIA

May/June 2006

75. Read the following statements and select the correct option:

Assertion (A): Till 1993, Information Technology was a low key initiative in Indian banks.

Reason (R): Trade Unions were reluctant to allow large scale absorption of technology

on a misplaced premise that it renders excess manpower and causes large scale exodus.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

76. New technologies make knowledge less dependent on the direct contribution by employees. Which of the following is NOT listed as a means of acquiring new knowledge through such technology?
(A) Data mining analyzing past performances
(B) Electronic access to external sources of information
(C) Video conferencing and application sharing
(D) Manual sorting of paper-based customer ledgers

May/June 2008

77. Consider the following statements regarding nationalized and co-operative banks:
I. They exhibited 85-100% involvement when it came to decisions on promotional activities.
II. They used databanks extensively for cutting-edge techno-banking at the branch level.
III. Technology use was mostly limited to major decision making at the corporate level.
IV. They handle accounts more on a person-to-person relationship due to rural proliferation.
V. A smile and warm greeting was often more appealing to their rural customers than technical gizmos.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2013

78. Match the KM tools and technologies with their functionalities:
List I: (Tools)
P. Online Discussion Forums
Q. Instant messaging
R. Communities of Practice (COP)
S. Personalized Portal Interface
List II: (Functionalities)
1. Formed around areas of common interest or projects for sharing specialisation
2. Enables geographically separated teams to exchange ideas and get specific answers
3. Helps people collaborate by immediately sharing business information in real time across time zones
4. Motivates users by providing different home pages based on their roles
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-3, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-4, Q-1, R-2, S-3

May/June 2015

79. Consider the following statements about KM as a powerful enabler of CRM:
I. It requires proper maintenance of relevant and up-to-date customer database.
II. It leverages the latest IT applications packages to generate meaningful reports.
III. It makes decision-making on launching new products scientific and meaningful.
IV. It prevents the bank from modifying existing products.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

Oct/Nov 2012

80. Consider the following statements regarding the 1993 historic settlement in the Banking Industry:
I. It was entered into between the management of banks (IBA) and Trade Unions.
II. It prohibited any further technology absorption in Public Sector Banks to protect manpower.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2011

81. Read the following statements and select the correct option:

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Assertion (A): Robo advisors can operate at costs less than 100 basis points compared to 2-3% for traditional brokers.
Reason (R): With AI, algorithms can regularly rebalance portfolios automatically to maintain original investment guidelines.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2020

82. How is 'Database marketing' best defined in the context of banking?
(A) Marketing based on data collection of actual customers.
(B) Public relations exercises to build brand logos.
(C) Selling computer hardware to regional bank customers.
(D) Internal audit processes focused on staff performance.

May/June 2022

83. Match the bank type with their corresponding characteristic/inference:
List I: (Bank Type)
P. New private sector banks
Q. Old private sector banks
R. Nationalized banks
S. Co-operative banks
List II: (Characteristic)
1. Do not possess the flexibility in policies for large level technical systematization
2. Handle accounts more on a person-to-person relationship due to lack of technology and rural proliferation
3. Showed active use of modern technologies, segmenting customers into Loyal, High Net worth, etc.
4. Used databanks mainly to handle customer bases and performance reports rather than techno-banking
(A) P-3, Q-1, R-4, S-2
(B) P-4, Q-2, R-1, S-3
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-4, R-1, S-2

NODIA

Oct/Nov 2023

84. Consider the following statements regarding the implementation of database management in private sector banks:
I. They actively incorporated Database Management and Database Marketing techniques.
II. They divided customers into segments like Loyal, High Net worth, and Privileged.
III. They used computerized coding of customers and tailormade packages.
IV. They lacked the capability to understand customer preferences proactively.
V. They benefited from proper database management for sending mailers and alerts.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2016

85. Consider the following statements regarding the challenges of adopting AI in banking based on the Narrative Science survey:
I. 12% of the overall group weren't using AI because they felt it was too new, untested, or weren't sure about security.
II. Fear of failure, siloed data sets, and regulatory compliance were cited as challenges.
III. Only 6% of surveyed firms had an innovation leader or executive dedicated to testing new ideas and processes.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

Oct/Nov 2009

86. Which of the following is NOT listed among the database management methodologies used by banks worldwide?
(A) Segmentation Techniques
(B) Epistemological Epiphany
(C) Custom Clustering
(D) Database Conquest Marketing

May/June 2023

87. Read the following statements and select the correct option:

Assertion (A): It is a vital management strategy to evolve a system by which collective intuitive or tacit knowledge is captured and shared.
Reason (R): Unless captured, intuitive or tacit knowledge, being mobile in nature, goes with the person when they leave the organisation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

88. Match the components of Database Management Methodology with their designated sequence numbers:
List I: (Methodologies)
P. Segmentation Techniques
Q. Data mining technologies
R. E-Retail
S. Telebanking
List II: (Sequence Numbers)
1. Method 1
2. Method 3
3. Method 5
4. Method 7
(A) P-1, Q-2, R-3, S-4
(B) P-1, Q-3, R-2, S-4
(C) P-2, Q-1, R-4, S-3
(D) P-4, Q-3, R-2, S-1

May/June 2007

89. Consider the following statements about KM for Business Innovation:
I. Business innovation is caused by chance rather than deliberate effort.
II. KM can act as an important enabler for innovation efforts of a bank.
III. KM provides latest and relevant information regarding changing customer tastes and preferences.
IV. A typical KM system can make development of new products fast and cost-effective.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, III, and IV

Oct/Nov 2025

90. Identify the incorrectly matched pair regarding IT applications in KM:
(A) Web Intelligence - Repositories of outdated manual banking ledgers
(B) Information retrieval engines - Search through corporate text repositories adding features like relevancy ranking
(C) Brain storming applications - Tools that help in categorizing and identifying knowledge resources
(D) Communities of Practice - Subgroups of people sharing specialisation, interest or project

May/June 2012

91. A corporate bank wants to launch a new product targeted at mid-sized enterprises. To determine the most profitable segment, the marketing head uses analytical software that analyzes past performance from many different dimensions, categorizes it, and summarizes the relationships identified in their large relational databases. What specific process is being used?
(A) Intranet Browsing
(B) Analytical Data Mining
(C) Online Conferencing
(D) Standard Telebanking

Oct/Nov 2014

92. A branch manager needs to monitor daily performance indicators, such as CASA deposits and customer footfall, without generating cumbersome weekly reports. They require an interactive, single-screen visual display updated daily. What tool should the IT team provide?
(A) Groupware
(B) Information retrieval engine
(C) Dashboard
(D) Intranet web server

May/June 2019

93. A large multi-national bank has subject-matter experts scattered across different branches. Management wants them to passively read about practice areas, ask questions, and share shared specialisations around common interests. Which specific KM technology should the bank deploy to achieve this?
(A) Web Intelligence
(B) Data Warehousing
(C) Workflow Systems

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(D) Communities of Practice (COP)

Oct/Nov 2006

94. The risk management team of a bank wants to predict the repayment behavior of loan applicants. They decide to extract unknown useful information from different internal databases. Which modern KM systems using advanced software will provide tremendous inputs for assessing these loan risks?
(A) Document and Content Management
(B) Personalized Portal Interfaces
(C) Knowledge Discovery and Data Mining (KDD)
(D) Online Discussion Forums

May/June 2021

95. A retail bank realizes that its process of onboarding new customers is tedious and lacks personalized communication, negatively impacting customer experience. The bank decides to automate routine, repetitive processes to deliver highly personalized interactions based on individual activity post-opening. Which technology is best suited to achieve this productivity gain?
(A) Machine Learning and AI
(B) Conventional Database Management System
(C) E-Retail manual sorting
(D) Custom Clustering on paper ledgers

Oct/Nov 2010

96. A bank is struggling with decreased productivity because employees are constantly recreating similar compliance documents from scratch. To allow workers to reuse existing documents and expertise already generated, which system should the IT department implement as a vital knowledge repository?
(A) Brain Storming Application
(B) Document Management System
(C) Online Conferencing
(D) Dashboard

May/June 2005

97. A commercial bank is vying with competitors to enhance its customer service. The management adopts a cyclical, closed loop business process to identify, maintain, and enlarge its "best" customers to drive long-standing relationships and profitability. What management practice is the bank putting in place?
(A) Enterprise CRM management
(B) Internal Value Chain Audit
(C) Knowledge Island formation
(D) Centralized Branch storage

Oct/Nov 2022

98. Over the last decade, a financial institution faced severe losses due to delayed detection of credit card fraud. They need a system that constantly evolves an operational model and a challenger model to respond in real-time to changing threats. What specific application of AI is the bank seeking?
(A) Enhanced Customer Personalization
(B) Fraud Detection via Machine Learning
(C) Better Customer Recommendations
(D) Brain Storming Applications

May/June 2018

99. An adhoc task force comprising employees from different departments needs to communicate and collaborate on a specific internal project. Because the team members cannot always communicate in real time, they require a technology to exchange and enhance tacit knowledge asynchronously. Which tool is most appropriate?
(A) Formalized workflow system
(B) AI Recommendation Engine
(C) Data Warehouse storage
(D) Groupware for collaboration

Oct/Nov 2016

100. A bank wants to understand who requires what specific type of service to meet expectations as closely as possible. They index and score their Customer Information Files according to the probability of customers purchasing a product. This direct marketing technique emanating from data collection is termed as:
(A) Knowledge Harvester Marketing
(B) Command and Control Marketing
(C) Tacit Knowledge Marketing
(D) Database Marketing

NODIA

ANSWERS

1. (A) P-2, Q-4, R-1, S-3
Know-what refers to information carried in minds and passed between people. Know-how involves the practical ability to put knowledge into practice. Traditional western epistemology focuses on a static, non-human view of knowledge. Explicit knowledge consists of components that can be codified and transmitted using a prescribed language. These concepts are fundamental to managing organizational knowledge effectively.

2. (C) Knowledge Discovery and Data Mining (KDD)
Knowledge Discovery and Data Mining uses advanced software to extract unknown, useful information from internal databases. This process provides critical inputs for assessing loan risks and predicting repayment behavior. It is a powerful tool for modern risk management teams to take more informed credit decisions. KDD helps identify hidden patterns in complex data that conventional methods miss.

3. (C) Applying strategic knowledge to enhance value and customer satisfaction
Strategic knowledge application enhances organizational value and customer satisfaction in modern banking. Focusing on intellectual capital aligns with international standards like Basel II and helps address declining loyalty. This intervention ensures long-term business growth and profitability by leveraging employee expertise. Intellectual capabilities are more critical for success in a competitive market than just relying on physical infrastructure.

4. (C) Inducing a cultural and behavioral change in the desire to share knowledge.
Inducing a cultural and behavioral shift is the most challenging aspect of building sustainable Knowledge Management systems. Technology and infrastructure are easier to implement than changing the mindset regarding knowledge sharing among employees. Encouraging collaboration and a willingness to exchange expertise is vital for success. Without this fundamental change, even the most advanced IT systems will fail.

5. (C) Assertion (A) is true, but Reason (R) is false.
Historically, tangible assets dominated corporate balance sheets while intangibles played a minor role. However, intangible assets are often unique and difficult for competitors to replicate perfectly, contrary to the idea that they are easily copied. Organizations protect them because of their high value. The worth of knowledge increases with use, making it a critical asset for modern competition.

6. (A) P-3, Q-4, R-1, S-2
The RAKID approach reverses the traditional flow by focusing on ensuring worthwhile results first. It then identifies the required knowledge as the basis for action. Information is produced through reflection to support these actions. Finally, data is collected, stored, and processed to create the necessary information. This outcome-oriented model ensures data collection serves specific organizational strategic goals.

7. (B) Building and nurturing intellectual capital
Banking has transitioned from being labor-intensive to being a knowledge-driven economy. Futuristic growth depends heavily on building and nurturing intellectual capital rather than just holding tangible assets. This shift emphasizes the value of employee expertise and organizational wisdom in driving innovation. Intellectual capital is the primary resource for maintaining a competitive edge in the modern financial services market.

8. (B) I, III, and IV
Knowledge Management initiatives drive innovation and cost efficiency while providing insights into customers and competitors. Unlike physical assets, organizational value gets enhanced progressively as knowledge is used. Establishing a direct relationship between KM investment and traditional ROI remains complex due to its qualitative nature. KM ensures relevant

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information is available to stay competitive and improve products and internal processes.

9. (B) P-3, Q-1, R-2, S-4
Physical assets naturally deteriorate in value over time, while organizational knowledge value enhances progressively as it is used. Learning organizations are skilled at creating, acquiring, and transferring knowledge to modify behavior effectively. Knowledge networks are measured by their ability to support and promote reciprocity among members. These components work together to build a robust and innovative organizational structure.

10. (C) Chief Knowledge Officer (CKO)
The Chief Knowledge Officer identifies knowledge assets residing in individuals and establishes mechanisms to share them across departments. This role aims to leverage collective expertise to expand the clientele base and meet organizational goals. The CKO bridges the gap between human capital and organizational strategy. This executive is responsible for managing the entire knowledge portfolio to drive business growth.

11. (D) Knowledge Islands; attitudinal issue
Employees who guard their expertise and refuse to share insights are known as knowledge islands. This behavior creates a significant attitudinal issue that hinders organizational growth and collective learning. Overcoming this challenge requires fostering a culture of collaboration and incentivizing knowledge sharing. It is a human-centric problem that cannot be solved simply by implementing better information technology tools.

12. (C) Both I and II are correct
Managing globalization challenges requires banks to constantly innovate new products and explore emerging business areas. State-owned banks in India have been granted managerial and operational autonomy, allowing boards to use prudence in business decisions. These factors are critical for modern banking success and competitiveness. Both innovation and autonomy allow banks to adapt to a rapidly changing global financial environment.

13. (A) Inculcating continuous learning to reflect new insights
Learning organizations excel at creating, acquiring, and transferring knowledge while modifying behavior to reflect new insights. Management aims to inculcate continuous learning as a core habit to ensure agility and sustained excellence. This process goes beyond routine adherence to standards by encouraging employees to adapt to new information. Constant improvement through shared insights is essential for organizational growth.

14. (C) Tacit knowledge is easily converted into value without a structured approach.
Tacit knowledge is built from experience and stored in the mind, making it personal and difficult to articulate. Converting it into organizational value requires a structured approach and intensive dialogues. It is not an automatic or easy process without deliberate management efforts. KM involves experience sharing and team-based activities to successfully leverage the deep expertise held by individual employees.

15. (D) Taking action that generates data
In the reversed DIKAR model known as RAKID, the letter A represents taking action that generates data. This approach emphasizes achieving results and working backward to identify necessary actions and knowledge. It ensures that every activity is aligned with strategic outcomes. This methodology helps organizations focus on worthwhile results before determining their data collection and information needs.

16. (A) Information Technology
Information Technology is the primary driver of change in the Indian banking and financial sector. It facilitates modernized market dynamics and diverse delivery channels like anywhere banking. Technology enables efficient knowledge capture, storage, and sharing processes across regional branches. This revolution has shifted the industry toward a knowledge-driven economy where digital innovation is essential for survival and growth.

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17. (A) A cultural change in propensity to share knowledge is the easiest part of knowledge management.
Inducing a cultural change to encourage knowledge sharing is actually the most difficult part of knowledge management. While technology is the most visible component, the human element involves complex behavioral shifts. KM initiatives significantly contribute to customer service and support CRM efforts. Organizing workshops and knowledge fairs helps bring people together to share their experiences and build collective wisdom.

18. (C) I and III
Tacit knowledge is personal, intuitive, and built from experience, making it difficult to record or articulate. It is stored in the minds of people and is highly contextual. While vital, it constitutes approximately seventy percent of an organization's knowledge base, not thirty percent. Capturing this vast resource is a primary goal of KM to maintain a strong corporate memory.

19. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Establishing a direct relationship between KM investment and traditional ROI is difficult because KM focuses on qualitative organizational transformation. It seeks to bring about qualities like openness and continuous learning in communications. These cultural shifts improve overall performance and innovation, which eventually impact profitability. The lack of a simple numeric link is due to the broad, human-centric nature of KM initiatives.

20. (A) Know-how embraces the ability to put Know-what into practice.
Know-how represents the practical ability to put know-what into practice effectively. Know-what consists of facts and information carried in the mind. Managerial knowledge integration requires balancing both types to achieve effective results and innovation. While know-what provides the foundation, know-how is the application of that information in real-world business scenarios to create value and solve problems.

21. (B) Results, Action, Knowledge, Information, Data
The backwards sequence starting from results follows a specific logical path in Knowledge Management. It moves from results to action, then knowledge, information, and finally data. This reversed approach ensures that data collection serves specific organizational goals. By focusing on outcomes first, banks can determine exactly what knowledge and information are required to achieve their strategic business objectives.

NODIA

22. (B) Explicit knowledge
Explicit knowledge is structured and can be codified and transmitted using methodical and prescribed language. Examples include databases, manuals, charts, and emails. It is easily captured and stored in organizational repositories for widespread access and reuse. This type of knowledge differs from tacit knowledge, which is personal, intuitive, and resides in the minds of individual employees.

23. (D) A holistic approach to capture collective wisdom and knowledge for organizational use.
Knowledge Management is a holistic approach used to capture and leverage collective wisdom for organizational benefit. It integrates people, processes, and technology to improve decision-making and innovation. This strategy helps organizations utilize their intellectual capital effectively to achieve long-term success. It goes beyond simple data storage to focus on how knowledge can be shared and applied to create value.

24. (D) Knowledge value increases through use, unlike physical assets which deteriorate over time.
Physical assets naturally deteriorate in value over time through constant use and physical wear. In contrast, organizational knowledge enhances in value the more it is utilized and shared among employees. Using knowledge leads to refinement and new insights, making it a growing corporate asset. This characteristic makes intellectual capital a unique and powerful resource for sustained organizational growth.

25. (A) I, II, III, and V
Knowledge management improves employee competency and provides critical inputs for risk

assessment in loan proposals. In knowledge-intensive firms, the real value can be ten times the book value. Effective computer-based networking often relies on initial face-to-face contacts to build trust. KM encourages continuous learning to modify behavior, rather than restricting it, to ensure the organization remains agile.

26. (D) Technological revolutions have modernized market dynamics and delivery channels.
Technological revolutions have modernized market dynamics and delivery channels in the Indian banking sector. This transformation has shifted the industry from a sellers' market to one driven by customer expectations and digital innovation. Banks now provide anywhere banking through total automation and interconnectivity. These changes have replaced conventional methods with more efficient, data-driven processes that improve the customer experience.

27. (A) Ensuring Worthwhile Results
In the RAKID model, which reverses the DIKAR process, the letter R stands for ensuring worthwhile results. This outcome-oriented approach focuses on achieving strategic goals before determining the necessary actions, knowledge, and data. By prioritizing results, banks can ensure that their Knowledge Management initiatives are aligned with business success. This methodology helps in creating a more purposeful data strategy.

28. (A) Decreased complexity of business and management
Knowledge Management is driven by increased business complexity, rapid technological advances, and higher workforce mobility. A decrease in complexity would not necessitate a KM initiative. Intense industry competition also forces organizations to innovate faster through effective knowledge sharing. KM helps manage the growing challenges of modern business by leveraging collective expertise to handle complex tasks and market demands.

29. (C) Assertion (A) is true, but Reason (R) is false.
Leadership support and active participation are essential for the success of Knowledge Management programs. While technology is a visible component, it does not dominate the initiative. Cultural and behavioral changes among people are actually the most critical and difficult requirements for a successful system. KM is as much about human interaction and sharing as it is about software tools.

30. (C) 70%
Approximately seventy percent of an organization's knowledge base is estimated to be tacit. This knowledge is personal, intuitive, and built through experience, making it difficult to record. It resides in the minds of employees and provides the basis for expert decision-making. Capturing and sharing this vast resource is a primary goal of Knowledge Management to ensure organizational continuity.

31. (C) Assertion (A) is true, but Reason (R) is false.
Knowledge Islands consist of employees reluctant to share expertise, creating a significant barrier to effective KM implementation. This is primarily an attitudinal and cultural challenge rather than a simple infrastructural one. Installing better Information Technology tools alone cannot solve these behavioral tendencies. Effective KM requires shifting the organizational culture toward collaboration and rewarding the desire to share knowledge.

32. (C) Both I and II are correct
Retaining talented employees requires employing attractive human resource interventions to prevent intellectual capital loss. Management performance depends heavily on how effectively banks manage their key knowledge assets and expertise. Intellectual capital is vital for maintaining a competitive edge and driving innovation. Both talent retention and effective knowledge management are essential components for achieving sustained growth in banking.

33. (A) Only I is correct
Customer Experience Management involves gaining a deep understanding of customer preferences, dislikes, and motivations for choosing specific services. It is a significant decision-making tool in banking rather than a minor one. Improving these experiences leads to higher customer loyalty and long-term business growth. By understanding customer needs, banks can tailor their offerings to improve satisfaction and competitive positioning.

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34. (D) Web Intelligence
Web Intelligence integrates an organization with its customers by focusing on information, public relations, and market intelligence needs. It brings together vital information pieces necessary for survival in a competitive environment. This technology helps banks respond effectively to changing market trends and customer expectations. By monitoring external data, banks can better align their strategies with the evolving needs of their clientele.

35. (A) Cost Leadership, Differentiation, and Focus
Knowledge Management supports three generic competitive strategies: cost leadership, differentiation, and focus. These strategies help banks maintain competitiveness in a crowded market. By leveraging collective knowledge, banks can innovate products and processes while optimizing operational costs effectively. Applying these strategies ensures that a bank can either provide services at lower costs or offer unique value to specific segments.

36. (A) The displayed data is automatically updated without any assistance from the user.
An effective dashboard displays data that is updated automatically without requiring manual user intervention. It consolidates key performance indicators on a single screen so they can be monitored at a glance. This tool allows for quick assessments and better decision-making by showing real-time information. It should be designed to be intuitive and accessible to various levels of the workforce.

37. (A) Free communication methods and participative management
Transitioning from a command and control style to a KM-based approach requires encouraging free communication and participative management. This behavioral shift fosters innovation and motivates employees to share their knowledge for organizational benefit. Collaboration and openness are essential for effective organizational learning processes. Management must move away from rigid silos to create an environment where expertise can flow freely.

38. (A) P-3, Q-4, R-2, S-1
Traditional management styles often discouraged innovation through a "Follow the Rule" approach. Knowledge Islands represent employees who are reluctant to share their talents for the general good. Creating a corporate memory is an essential result area for preserving both explicit and tacit knowledge. Customer Experience Management focuses on understanding customer preferences and dislikes to improve service delivery and loyalty.

39. (D) Dashboard
A dashboard is a visual display of the most important information needed to achieve specific objectives. It consolidates and arranges data on a single screen for monitoring at a glance. This tool enhances operational efficiency by providing real-time performance insights without requiring extensive searching. It is an essential IT application for modern managers to track key performance indicators effectively.

40. (D) KRA - Key Resistance Area
In a professional and organizational context, KRA stands for Key Result Area, not Key Resistance Area. It refers to specific metrics used to evaluate employee performance and contribution. Other terms like Chief Knowledge Officer, Knowledge Discovery and Data Mining, and Banking, Finance and Insurance are correctly matched. Using accurate terminology is essential for successful Knowledge Management implementation.

41. (B) Undue delay at the Centralized Data Processing Unit enhances the quality of customer service.
Undue delays at a Centralized Data Processing Unit actually degrade the quality of customer service rather than enhancing it. Total automation and branch interconnectivity are designed to improve efficiency and provide an anywhere banking experience. Front office staff often rely on centralized units for timely information processing. Effective data management requires minimizing delays to ensure high levels of satisfaction.

42. (A) I, II, and III
The Chief Knowledge Officer typically holds a high managerial rank and is responsible for managing the bank's entire KM portfolio. Responsibilities include identifying knowledge needs and potential sources of information

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within the organization. Their primary goal is to foster knowledge sharing across the workforce rather than restricting it. This role ensures that acquired knowledge is effectively utilized for business growth.

43. (B) Value chain audit and knowledge chain creation audit
Conducting a value chain audit and a knowledge chain creation audit helps pinpoint current and future knowledge requirements. These exercises measure how knowledge is created and the existing sharing culture within departments. This is a critical step in the preparatory stage of Knowledge Management implementation. These audits allow banks to understand their internal processes and identify gaps in expertise.

44. (D) People constitute up to 90% of organizational knowledge.
People constitute up to ninety percent of an organization's knowledge base in the modern banking sector. This intellectual capital is the most valuable asset, far outweighing tangible assets in importance. While physical infrastructure is visible, the expertise and wisdom of employees drive innovation and long-term success. Recognizing and managing this human capital is essential for a bank's competitive advantage.

45. (C) Data Mining finds correlations, while Data Warehouse provides complex data sets.
Data Mining is an analytical tool used to find correlations and patterns within large amounts of information. A Data Warehouse provides the complex data sets required for this detailed analysis. Together, they enable informed decision-making and strategic planning by turning raw data into actionable insights. This combination is essential for modern KM tools to support effective risk assessment and marketing.

46. (B) Contribution to Corporate Memory/ Intellectual capital
Contribution to corporate memory or intellectual capital is a specific Key Result Area used to reward knowledge sharing. By incorporating this metric into performance appraisals, banks encourage experts to share their insights with others. This helps preserve vital knowledge within the organization despite employee attrition. It addresses the challenge of capturing tacit knowledge that might otherwise be lost.

47. (C) 2 - 3%
Traditional brokers typically operate at costs between two and three percent for their services. In contrast, AI-driven robo-advisors can operate at significantly lower costs, often less than one hundred basis points. This efficiency is a major benefit of automation in the financial sector. Lower costs allow banks to offer more competitive investment services while maintaining high-quality portfolio management.

48. (B) Value Chain Audit - Measuring the creation of knowledge and sharing of culture
A value chain audit is used to measure the creation of knowledge and the sharing culture within an organization. Knowledge Islands refer to employees who are reluctant to share their expertise. Explicit knowledge is structured and codified, making it easy to formulate, unlike intuitive knowledge. These audits are essential during the preparatory stage of implementing a Knowledge Management system.

49. (A) Update HRM policies with rewards for knowledge sharing
Updating HRM policies to include rewards for knowledge sharing can effectively address behavioral issues that prevent collaboration. Incentivizing the sharing of expertise helps overcome the reluctance of employees to guard their knowledge. This policy shift supports the transition toward a more innovative and learning-oriented culture. It ensures that employees are motivated to contribute to the organization's collective wisdom.

50. (B) I, III, IV, and V
Reputed banks recognize employee knowledge as their most valuable asset and use KM to record it for future use. Incentivizing sharing through HRM policies helps solve cultural issues related to knowledge hoarding. KM also facilitates competitive strategies like cost leadership and differentiation. While important, KM transition in India is an ongoing process rather than a universally completed shift.

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51. (D) Groupwares help exchange and enhance tacit knowledge in workgroups.
Groupware helps exchange and enhance tacit knowledge within workgroups through collaboration and communication tools. In contrast, workflow systems are designed to codify and automate structured processes like proposal generation or document review. Both technologies play distinct roles in Knowledge Management. Groupware facilitates informal idea exchange, while workflow systems ensure that structured information moves efficiently through an organization.

52. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The traditional "Command and Control" approach in banking discouraged innovation and limited the desire for a better knowledge base. This rigid culture inadvertently led to low enthusiasm for modern Knowledge Management initiatives among staff. Successful KM implementation requires moving toward more participative management styles that value employee input. Overcoming this historical cultural barrier is essential for organizational learning.

53. (C) Information overload caused by excessive financial and IT resources.
Banks face challenges such as closed mindsets, strong unions protecting inefficiencies, and strict adherence to operating procedures during KM implementation. Information overload due to excessive financial resources is not listed as a typical problem for banks. KM actually aims to manage existing information more effectively. The primary difficulties are usually related to organizational culture and historical management styles.

54. (B) 32%
According to a survey conducted by Narrative Science and the National Business Research Institute, thirty-two percent of financial services executives confirmed using AI technologies. This indicates a significant and growing adoption of advanced tools in the banking sector. AI is increasingly used for risk management, fraud detection, and improving customer experiences through personalized recommendations and automated advisors.

55. (A) Customer Experience Management (CEM)
Customer Experience Management is used to analyze customer behavior and transaction patterns to determine their level of dependence on the bank. It helps banks understand whether a customer is a loyal partner or uses them only for occasional transactions. This tool provides insights necessary for improving loyalty and tailoring offerings. CEM is vital for building long-standing relationships and profitability.

56. (A) I and II
During the preparatory stage, banks help employees understand critical business processes as part of the Knowledge Management initiative. Value chain and knowledge chain creation audits are conducted to measure the current creation of knowledge. Effective KM systems should be integrated with, rather than isolated from, performance appraisals and role definitions to encourage active participation and knowledge sharing.

57. (A) HTML format and thin client
The technology infrastructure of an intranet includes components like IP networks, HTML formats, and thin clients. These elements provide the foundation for communication and data display across the organization. The web server serves as the content repository where organizational information is stored. Understanding this distinction helps in managing the technical aspects of a Knowledge Management system effectively.

58. (A) Tactical Task Distinction
In the context of banking, knowledge essentially refers to tactical task distinction. This involves the ability to apply information effectively to specific business challenges and differentiate between various tactical approaches. It goes beyond simple adherence to rules or the possession of physical hardware. True knowledge is about using expertise to make better decisions and achieve superior operational results.

59. (C) Database Management System (DBMS)
A Database Management System is a software application that interacts with users and other programs to capture and analyze data. it provides a structured environment for storing and managing large volumes of information. DBMS

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is a foundational tool for modern information technology and is essential for effective data management. It allows organizations to maintain accurate records and retrieve information efficiently.

60. (B) KM is a passing trend soon replaced by paper banking.
Knowledge Management is not a passing trend but a critical factor for the future of the banking economy. The future of banking depends on the knowledge economy and the conscious planning of knowledge assets. Banks are increasingly appointing Chief Knowledge Officers to manage these vital resources. The shift away from paper-based banking toward a knowledge-driven industry is a permanent transformation.

61. (A) II, III, I
The historical development of banking in India began with the establishment of the Presidency, Imperial, and Joint Stock Banks. Later, a banking inquiry committee led to the establishment of the Reserve Bank of India. Finally, the historic 1993 settlement between the IBA and trade unions allowed for large-scale technology absorption. This sequence reflects the evolution of the Indian financial sector.

62. (D) I, II, and III
Enterprise CRM is a cyclical, closed-loop business process focused on managing customer interactions to improve relationships. Customer segmentation is performed based on track records and facility usage to provide tailored services. CRM technologies assist in managing these interactions with the objective of improving customer retention. These processes are essential for building lifetime value and long-standing partnerships with clients.

63. (A) It must require users to manually input and update data on a daily basis.
Dashboards are designed to update data automatically, so they do not require users to input information manually every day. They provide a consolidated view of the most important performance indicators on a single screen. This tool should be accessible to the general workforce, not just executives. An effective dashboard allows for monitoring critical information at a glance for better decision-making.

64. (B) II, III, IV, and V
Information retrieval engines offer features like natural language querying for text repositories. Intranet technology infrastructure includes IP networks and thin clients. Workflow systems facilitate the preparation of structured information like proposal generation. Knowledge Management systems must overcome worker resistance to highly structured processes. Dashboards should update automatically rather than requiring manual daily input by executives to be truly effective.

65. (A) P-1, Q-4, R-2, S-3
Narrative Science conducted a survey on AI adoption in financial services with the National Business Research Institute. Feedzai utilizes machine learning to evaluate transactions for real-time fraud detection. Betterment is a fintech company specializing in promoting robo-advisors. Moven provides personalized spending recommendations through a mobile banking app. These applications demonstrate the diverse use of AI in modern banking.

66. (C) Assertion (A) is true, but Reason (R) is false.
Companies like Feedzai utilize machine learning to maintain both operational and challenger models for fraud detection. Contrary to the idea that AI is slow, it is specifically designed to process vast amounts of data and respond to threats in real-time. Artificial intelligence enhances the speed and accuracy of fraud monitoring compared to traditional manual or slower automated processes.

67. (C) One of the outcomes of AI is that machine learning degrades over time as more data is processed.
Machine learning actually improves as more data is processed, rather than degrading over time. AI enables machines to interact and learn tasks previously performed by humans, especially in risk management and fraud detection. Robo-advisors use algorithms to provide automated portfolio management advice efficiently. This technology allows banks to process data at record speeds and provide better customer personalization.

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68. (C) Both I and II are correct
Brainstorming applications are valuable tools for converting tacit knowledge into explicit knowledge by identifying and categorizing resources. Information retrieval engines allow users to search through extensive corporate text repositories with features like relevancy ranking. Both technologies are essential for effective knowledge management and discovery. They help organizations leverage their existing information and expertise to solve problems and innovate.

69. (A) I, II, and III
Increased use of systems enables banks to enhance their performance quality and leads to quicker overall processing times. Cultivating customers as lifelong partners ensures steady revenue and creates new business opportunities through references. These database management principles apply to all types of banks in India, not just foreign ones. Systematized databases are foundational for modern banking operations and customer relationship management.

70. (A) P-4, Q-1, R-2, S-3
Enhanced customer personalization is achieved through robo-advisors and algorithm-based portfolio management. Productivity gains come from taking routine, repetitive processes like onboarding and making them highly efficient. Fraud detection involves monitoring activity patterns in real-time for aberrations. Better customer recommendations are provided by mobile apps that track spending and offer automated advice to increase savings and manage finances.

71. (D) Assertion (A) is false, but Reason (R) is true.
While branch interconnectivity provides an anywhere banking experience, centralized back-office functions can sometimes cause undue delays for customers. Therefore, the centralized data warehouse practice does not guarantee perfect quality of service with no delays. Delays can occur during account opening or closing if processing units are slow. Efficient data management requires balancing centralization with responsive customer service delivery.

72. (B) Creating lifetime value by maintaining the best customers.
The primary objective of Enterprise CRM is to create lifetime value by identifying and maintaining the best customers. It is a cyclical, closed-loop business process aimed at improving long-standing relationships and profitability. This strategy focuses on building strong partnerships with clients rather than just replacing employees with bots. It uses data to ensure that bank services meet customer expectations.

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73. (A) I and II
AI facilitates the analysis and application of vast amounts of data at record speeds through automation. A significant challenge remains the shortage of personnel experienced in data collection, analysis, and application. Some data firms now have the capability to collect information from across the entire organization to overcome data silos. These specialized firms help banks leverage their data more effectively.

74. (C) Document Management Systems - Repositories for explicit knowledge, mainly for creating, processing and reviewing documents
Document Management Systems serve as repositories for explicit knowledge, focusing on the creation, processing, and review of documents. Groupware is used for collaborative exchange of tacit knowledge within workgroups. Intranets provide the technology infrastructure for communication but are not exclusively for converting tacit knowledge. Dashboards are visual displays for monitoring key performance indicators rather than natural language querying tools.

75. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Before 1993, Information Technology was a low-key initiative in Indian banks due to trade union resistance. Unions were reluctant to allow large-scale technology absorption because they feared it would lead to excess manpower and job losses. The historic settlement between the IBA and unions eventually paved the way for modern technological absorption. This change was essential for the industry's modernization.

76. (D) Manual sorting of paper-based customer ledgers
Modern knowledge acquisition involves data mining, electronic access to external sources, and collaborative tools like video conferencing. Manual sorting of paper-based customer ledgers is an outdated practice that does not leverage new technology. Automation and digital tools reduce dependency on direct human labor for generating and managing knowledge. KM aims to move organizations away from manual processes toward data-driven insights.

77. (B) I, III, IV, and V
Nationalized and co-operative banks often prioritize person-to-person relationships, which appeal to rural customers more than technical gizmos. Their use of technology was traditionally limited to major corporate decision-making rather than branch-level techno-banking. These banks showed high involvement in promotional activity decisions. A warm greeting and personal touch remain key to their success in proliferated rural and semi-urban markets.

78. (A) P-2, Q-3, R-1, S-4
Online discussion forums allow geographically separated teams to exchange ideas and find answers. Instant messaging enables real-time collaboration by sharing business information across different time zones. Communities of Practice are formed around common interests to share specialized knowledge. Personalized portal interfaces provide users with different home pages based on their specific roles. These tools all facilitate effective knowledge sharing.

79. (A) I, II, and III
Knowledge Management acts as an enabler for CRM by maintaining up-to-date customer databases and leveraging IT packages for reporting. This approach makes decisions on launching new products more scientific and meaningful. KM encourages banks to modify products to meet changing customer preferences rather than preventing such changes. Using data-driven insights ensures that product development aligns with market needs.

80. (A) Only I is correct
The historic 1993 settlement was reached between bank management (IBA) and trade unions. This agreement actually enabled, rather than prohibited, the absorption of technology in public sector banks by addressing manpower concerns. It was a crucial turning point that allowed for the modernization of the Indian banking industry. This settlement paved the way for current digital and knowledge-driven banking.

81. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Robo-advisors offer significant cost savings compared to traditional brokers by using automated algorithms to manage portfolios. These systems can regularly and automatically rebalance investments to maintain original guidelines. This efficiency allows them to operate at costs much lower than one hundred basis points. Automation ensures that portfolio management is consistent, objective, and highly cost-effective for both banks and customers.

82. (A) Marketing based on data collection of actual customers.
Database marketing is defined as marketing efforts based on the systematic collection and analysis of data from actual customers. This technique allows banks to understand customer needs and preferences to deliver more targeted services. It is a key application of database management that improves marketing efficiency. By using customer data, banks can build stronger relationships and improve overall profitability.

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83. (A) P-3, Q-1, R-4, S-2
New private sector banks actively use modern technologies to segment customers into categories like loyal or high-net-worth. Old private banks often lack the flexibility for large-scale technical systematization. Nationalized banks traditionally used databanks for performance reports rather than branch-level techno-banking. Co-operative banks maintain person-to-person relationships due to their rural focus. These differences reflect the varied technological adoption across the sector.

84. (A) I, II, III, and V
Private sector banks have successfully implemented database management by segmenting customers into categories like loyal or privileged. They use computerized coding and

tailored packages to proactively understand and meet customer preferences. Proper database use also enables effective communication through automated mailers and alerts. These techniques have helped them gain a competitive edge by offering personalized and efficient banking services.

85. (D) I, II, and III
Challenges to AI adoption in banking include concerns about security, siloed data sets, and regulatory compliance. The Narrative Science survey revealed that some firms find AI too new or untested for immediate implementation. Furthermore, only six percent of surveyed firms have dedicated innovation leaders. These factors contribute to the varying rates of AI technology adoption across the financial services industry.

86. (B) Epistemological Epiphany
Segmentation techniques, custom clustering, and database conquest marketing are established methodologies used in database management by banks. Epistemological Epiphany is not a recognized technical methodology in the banking industry. Banks use data-driven approaches to understand customer behavior and reach new segments effectively. These methodologies allow for more precise marketing and better risk assessment in a highly competitive global market.

87. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Capturing collective intuitive or tacit knowledge is a vital strategy because this expertise is mobile in nature. If not captured through formal systems, valuable knowledge leaves the organization when employees depart. KM systems help preserve this intellectual capital to maintain corporate memory and ensure continuity. Capturing and sharing this wisdom is essential for long-term organizational success and innovation.

88. (A) P-1, Q-2, R-3, S-4
Database management methodologies follow a structured sequence in banking applications for customer outreach and service. Segmentation techniques are the primary method used to categorize the customer base. Data mining technologies follow as a method for deeper analysis. E-retail and telebanking represent subsequent methods in the evolution of service delivery. This sequence helps banks systematically utilize data for better performance.

89. (B) II, III, and IV
Innovation is a deliberate effort where Knowledge Management serves as a powerful enabler rather than a result of chance. KM provides insights into changing customer preferences, facilitating the fast and cost-effective development of new products. A robust KM system ensures that information regarding market trends is always available. This approach helps banks maintain their competitive edge through constant innovation.

90. (A) Web Intelligence - Repositories of outdated manual banking ledgers
Web intelligence is a modern tool used for market intelligence and public relations, not for storing outdated manual ledgers. Information retrieval engines search text repositories, and brainstorming applications help identify resources. Communities of Practice are groups sharing specialized interests or project goals. Accuracy in understanding these IT applications is essential for effective Knowledge Management. Web intelligence helps integrate the organization with its customers.

91. (B) Analytical Data Mining
Analytical data mining involves analyzing past performance from multiple dimensions to identify relationships within large relational databases. This process helps banks determine the most profitable segments for new product launches. It summarizes complex data into actionable insights to support strategic marketing decisions. This method allows for a more scientific approach to product development by understanding customer behaviors and trends accurately.

92. (C) Dashboard
A dashboard provides an interactive, single-screen visual display of daily performance indicators for quick monitoring. This tool allows branch managers to track metrics like deposits and footfall at a glance. It eliminates the need for generating and reading lengthy weekly reports. An effective dashboard is updated automatically,

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allowing for better real-time decision-making and operational control at the branch level.

93. (D) Communities of Practice (COP)
Communities of Practice are groups of subject-matter experts who share specialized knowledge around common interests. This technology allows geographically scattered employees to collaborate and exchange ideas effectively. It fosters a culture of learning and expertise sharing within the organization. By deploying COPs, banks can leverage the deep wisdom of their experts regardless of their physical location.

94. (C) Knowledge Discovery and Data Mining (KDD)
Knowledge Discovery and Data Mining uses advanced software to extract unknown, useful information from internal databases. This process provides critical inputs for assessing loan risks and predicting repayment behavior. It is a powerful tool for modern risk management teams to improve decision accuracy. KDD helps identify hidden patterns in complex data sets that are essential for predicting future trends.

95. (A) Machine Learning and AI
Machine learning and AI can automate routine, repetitive processes like customer onboarding to deliver highly personalized interactions. This technology improves the customer experience by providing tailored recommendations based on individual activity. These productivity gains optimize bank operations while increasing satisfaction. AI allows for the rapid analysis of data to create meaningful and personalized customer journeys.

96. (B) Document Management System
A Document Management System serves as a vital knowledge repository that allows employees to reuse existing documents and expertise. This prevents the inefficiency of recreating compliance documents from scratch and enhances productivity. It ensures that explicit knowledge is easily accessible across the organization. By centralizing document storage, banks can streamline their review and processing workflows effectively.

97. (A) Enterprise CRM management
Enterprise CRM is a cyclical business process used to identify and enlarge the base of a bank's best customers. This management practice focuses on long-standing relationships to drive profitability and create lifetime value. It uses data to ensure that customer service meets specific expectations as closely as possible. This approach helps banks build strong partnerships and improve overall customer loyalty.

98. (B) Fraud Detection via Machine Learning
Fraud detection via machine learning involves using operational and challenger models to respond to changing threats in real-time. This application of AI helps banks prevent losses by constantly evolving their detection capabilities. It monitors activity patterns for aberrations that may indicate fraudulent behavior. This technology is essential for managing the increasing complexity of financial crimes in the digital age.

99. (D) Groupware for collaboration
Groupware is an appropriate tool for adhoc task forces that need to collaborate asynchronously across different departments. It enables the exchange and enhancement of tacit knowledge when real-time communication is not possible. These tools support project-specific communication and information sharing through non-real-time channels. Groupware facilitates teamwork and helps preserve the collective insights of project-based groups.

100. (D) Database Marketing
Database marketing involves indexing and scoring customer information files to predict the probability of a purchase. This direct marketing technique uses collected data to meet customer expectations and target specific services effectively. It allows banks to focus their efforts on those most likely to require a product. By analyzing actual customer data, banks can improve marketing efficiency and profitability.

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CHAPTER 06

HR as a Strategic Player

Oct/Nov 2014

1. Under the Deloitte HR Strategy Framework, what is the sixth step involved in delivering value?
(A) Prioritize HR investments
(B) Segment HR customers
(C) Establish right HR capabilities
(D) Ensure right HR service delivery model

May/June 2007

2. Which of the following statements correctly describes a critical strategy in performance management?
(A) Ensuring that the appraisal remains an annual ritual managed exclusively by the central HR function.
(B) Focusing performance management strategies solely on the financial profitability of the entire company.
(C) Understanding each employee's role in the mission to maximize their potential and organizational value.
(D) Avoiding the identification of performance deficiencies to maintain motivation through non-financial means.

Oct/Nov 2025

3. How is the term 'Management Development' defined in the context of employee learning?
(A) Specific training designed to impart specialized technical knowledge to employees for their current job requirements.
(B) The general development of an employee across social, intellectual, and physical domains within a broad learning context.
(C) Activities influencing an individual's capacity to perform assignments better and increasing potential for future roles.
(D) The systematic process of evaluating how effectively new skills and knowledge are utilized in specific operational areas.

May/June 2023

4. Which of the following statements regarding the 5-Point Agenda for HR Professionals is incorrect?
(A) HR professionals must spend more time and effort understanding the business environment and key strategic issues.
(B) HR professionals must move towards taking an integrated look at the people in the organisation, bridging the gap between HR and IR.
(C) HR professionals must avoid getting involved in the operational nitty-gritties to maintain an objective perspective.
(D) HR professionals need to change from a support paradigm to a value creation paradigm.

Oct/Nov 2009

5. What is the foundational premise of HR Value?
(A) Value is defined by the giver, ensuring that HR professionals achieve their desired results.
(B) Value is defined by the receiver, requiring any value proposition to begin with a focus on receivers.
(C) Value is determined by the total resources invested in a project including sunk costs.
(D) Value is assessed exclusively through the calculation of gross revenue minus operating expenses.

May/June 2016

6. The Deloitte HR Framework outlines steps under 'Align HR products and services'. Which of the following is NOT one of these steps?
(A) Segment HR customers
(B) Ensure right HR service delivery model
(C) Prioritize HR investments
(D) Design HR services

Oct/Nov 2018

7. How is 'Strategic HRM' broadly defined in the context of linking human resources with business objectives?

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(A) A process focused on administrative tasks like employee payroll and benefits management within a standard framework.
(B) A process linking HRM with strategic goals to improve performance, develop culture, and foster innovation.
(C) A process where routine HR activities are outsourced to specialized third-party vendors for cost efficiency.
(D) A process prioritizing legal compliance and record-keeping without integrating employees into business strategy.

May/June 2012

8. Which of the following statements correctly describes HR Transformation?
(A) The direct investment in digital e-HR services to achieve a complete and automatic transformation of HR.
(B) Transformation changes behavior and outputs by integrating HR practices focused on a value-added agenda.
(C) The alteration of any single HR practice, such as staffing or appraisal, to create a functional transformation.
(D) The drafting of a formal HR strategy statement to ensure a successful transformation without changing outputs.

Oct/Nov 2006

9. Which of the following statements regarding strategy implementation and calculation of ROI in HR is incorrect?
(A) Step 1 involves identifying all potential costs, including Fixed, Variable, and Sunk costs.
(B) Step 3 involves calculating the ROI of the program, which can only be expressed in time slots and never as a percentage.
(C) Step 2 involves identifying the likely benefits, ensuring investment on human assets corresponds to contribution by high-performing employees.
(D) To calculate the ROI of a particular program, the value of the specific program itself is calculated and then divided by the implementation costs.

May/June 2019

10. What is the estimated annual spending by U.S. organisations on employee training and development?
(A) More than $ 40 billion
(B) More than $ 50 billion
(C) More than $ 60 billion
(D) More than $ 70 billion

Oct/Nov 2022

11. The 5-Point Agenda for HR Professionals outlines ways HR can enhance its ability to contribute to the integration of corporate, business, and HR strategies. Which of the following is NOT part of this agenda?
(A) Increasing involvement in operational details to better address management concerns.
(B) Viewing themselves as knowledge workers who facilitate organizational information flows.
(C) Changing from a support-oriented paradigm to a value-creation framework within the firm.
(D) Transforming the organization into an individualized corporation through mergers and acquisitions.

May/June 2021

12. How is the concept of selection defined?
(A) The process of predicting the demand for products and services and then predicting the manpower needs.
(B) The process of determining how many employees the organisation needs to perform at its optimum.
(C) The process of collecting and evaluating information about an individual in order to extend an offer of employment.
(D) The process of measuring the cost per hire, source cost per hire, and interviewing cost.

Oct/Nov 2010

13. Which of the following statements correctly identifies the role of an Individual Development Plan (IDP)?
(A) It is a top-down process directed by management to map out the long-term corporate strategy.
(B) It complements performance management and encourages employees to invest in their work and themselves.
(C) It serves as a comprehensive replacement for the entire annual performance management process.
(D) It focuses on determining market-linked

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Oct/Nov 2019

62. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): Organisations must properly assess the needs of employees and devise financial and non-financial rewards uniformly across all individuals.
Reason (R): The needs and drives of individuals differ; some are motivated by financial rewards while others seek non-financial rewards like career advancement.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

63. Read the following statements regarding delivering value in the Deloitte HR Framework:
I. Ensuring the right HR service delivery model involves analyzing its ability to effectively meet the organisation's needs.
II. Establishing the right HR capabilities encourages HR leaders to centralize and focus solely on administrative activities.
III. Improving HR operational excellence involves assessing the efficiency of HR-related services through HR Cost and Activity Analyses.
IV. Measuring the impact of HR products involves designing and implementing an HR Scorecard to track HR impact, value, and costs.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

Oct/Nov 2011

64. Read the following scenario and answer the question that follows.
Beta Manufacturing wants to use HR as a strategic business asset. The CHRO uses the Seven-Step Model. After clarifying the business strategy and developing a business case for HR, the CHRO establishes leading and lagging business indicators, resulting in tangible and intangible results.
What is the CHRO creating in this specific step of the Seven-Step Model?
(A) HR deliverables within the strategy map
(B) The HR architecture
(C) A strategy map for the firm
(D) The strategic measurement system

May/June 2010

65. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): Investing in e-HR services such as portals and online employee services automatically means HR has been transformed.
Reason (R): E-HR is merely a way to deliver HR administrative services, and changing new delivery mechanisms to provide the same old services does not transform the function.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

66. Read the following scenario and answer the question that follows.
To ensure the new HR strategy remains aligned with evolving business needs, a CHRO uses a well-constructed HR scorecard. Instead of just treating it as a one-off event, the CHRO monitors input into the firm's results on an ongoing basis and makes periodic adjustments.
What management concept is the CHRO practicing by continuously utilizing the HR scorecard in this manner?
(A) Execute management by measurement
(B) Identifying HR deliverables
(C) Segmenting HR customers
(D) Common factor analysis

May/June 2017

67. Read the following statements regarding the Balanced Scorecard:
I. The Balanced Scorecard is used to reinforce good behaviours in an organisation by isolating four separate areas.

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Oct/Nov 2011

21. Which of the following is NOT listed as a main benefit of using Factor Analysis?
(A) Identification of underlying factors common to many variables.
(B) Clustering variables into homogeneous sets.
(C) Generating revenue targets for high-performing employees.
(D) Screening of variables to identify groupings.

May/June 2010

22. In the Seven-Step Model for using HR as a Strategic Business Asset, what is the fourth step?
(A) Develop the business case for HR as a strategic asset
(B) Identify HR deliverables within the strategy map
(C) Create a strategy map for the firm
(D) Align the HR architecture with HR deliverables

Oct/Nov 2024

23. Within the framework of the Balanced Scorecard, what is the primary purpose of evaluating 'business processes'?
(A) A financial review focusing on budget variances, income targets, and overall fiscal performance of the unit.
(B) An analysis of how effectively employees utilize organizational information to gain a specific competitive advantage.
(C) A method to gauge customer satisfaction regarding the price, quality, and availability of products or services.
(D) An investigation of operational management to track manufacturing efficiency, waste, bottlenecks, and delays.

May/June 2017

24. Which of the following statements incorrectly describes a step in the Deloitte HR Strategy Framework?
(A) Step 3: Segment HR customers identifies the critical workforce segments and tailors specific programs and services.
(B) Step 5: Design HR services performs an HR process analysis to identify processes that should be streamlined or re-engineered.
(C) Step 8: Improve HR operational excellence continuously involves assessing the efficiency of HR-related services through HR Cost and Activity Analyses.
(D) Step 10: Measure impact of HR products and services strictly separates the corporate strategy from strategic HR priorities to prevent data overlap.

Oct/Nov 2005

25. Which of the following statements correctly reflects a feature of Strategic HRM?
(A) There is no explicit linkage required between HR policy and practices and the overall organisational environment.
(B) The pattern and plan of SHRM envisage a congruence between HR strategy and the organisation's business strategy (vertical fit).
(C) It focuses on physical assets rather than human resources as the primary source of competitive advantage.
(D) The activities of SHRM de-emphasize HR programs and practices in gaining a competitive advantage.

May/June 2020

26. What defines an Individual Development Plan (IDP)?
(A) A legally binding contract between management and staff members focused on market-linked compensation and bonuses.
(B) A manager-led allocation process for personnel funding that does not involve direct partnership with the employee.
(C) An annual performance review process treated as a ritualistic requirement overseen primarily by the HR department.
(D) An action plan of realistic steps taken by an employee to build skills, use talents, or prepare for career goals.

NODIA

Oct/Nov 2015

27. Which of the following is NOT one of the four areas, or legs, isolated by the Balanced Scorecard?
(A) Supply chain management
(B) Learning and growth
(C) Business processes
(D) Customers

May/June 2013

28. In a 20-item leadership attribute questionnaire using Factor Analysis, how many items are specifically categorized as communication elements?

compensation packages for members of the executive team.

May/June 2005

14. How did the traditional perspective of the HR role differ from its view in the 1990s?
(A) The traditional perspective viewed HR as a strategic asset, whereas the 1990s perspective viewed it as purely administrative.
(B) The traditional perspective focused on executing whatever management wanted, while the 1990s perspective focused on administering benefits.
(C) The traditional perspective viewed HR as purely administrative, whereas in the 1990s, HR started to be seen as a strategic asset.
(D) The traditional perspective utilized the Balanced Scorecard, while the 1990s perspective relied solely on e-HR services.

Oct/Nov 2016

15. For HR to command the respect of all others in the corporate environment, it must build a strong team comprising specific roles. Which of the following is NOT one of these roles?
(A) The Resourcing Expert
(B) The Developer
(C) The Behavioural Specialist
(D) The Quality Controller

May/June 2018

16. The conceptual definition of 'Factor Analysis' is:
(A) A statistical method grouping variables into interpretable factors based on the closeness of their relationships.
(B) A strategic management system evaluating non-financial corporate performance to create a comprehensive business outlook.
(C) A process of integrating corporate strategy with specific individual competencies to build a unified communication system.
(D) A method for determining human capital ROI by dividing company revenue by employee salary and benefit costs.

Oct/Nov 2007

17. Which of the following statements regarding the types of Factor Analysis is incorrect?
(A) Common factor analysis generates a unique solution where the number of factors is always greater than the number of original factors.
(B) Exploratory factor analysis is used to measure underlying factors in a data structure without setting any predefined structure to the outcome.
(C) Confirmatory factor analysis is used as a tool to reconfirm the effects and correlation of an existing set of pre-determined factors.
(D) Structural equation modeling hypothesizes a relationship between a set of variables and factors and tests casual relationships on a linear equation model.

May/June 2025

18. In which year was the concept of 'Factor Analysis' first used in the field of psychology?
(A) 1904
(B) 1990
(C) 1996
(D) 2002

Oct/Nov 2019

19. Which of the following statements correctly summarizes findings regarding reward systems?
(A) Organizations linking reward systems to strategy show lower returns than those with less explicit linkage.
(B) Strategically designed pay systems outperform traditional pay systems based on financial objectives.
(C) Reward systems must provide only non-financial incentives to achieve desired organizational behaviors.
(D) Effective reward systems are designed to be independent of the financial profitability of the firm.

May/June 2009

20. In the context of Factor Analysis, what distinguishes Principal Component Analysis from Common Factor Analysis?
(A) PCA allows original data reconstruction and generates a number of factors equal to the number of variables.
(B) PCA utilizes an estimate of common variance among variables to produce a simplified factor solution.
(C) PCA always generates a specific number of factors that is significantly less than the original set of variables.
(D) PCA measures underlying factors without any predefined structure, distinguishing it from Common Factor Analysis.

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P. Exploratory factor analysis
Q. Confirmatory factor analysis
R. Structural equation modeling
S. Principal component analysis

List II: (Characteristic)

1. Hypothesizes relationships on a linear equation model and can be used for testing hypotheses.
2. Measures underlying factors in a data structure without setting any predefined structure to the outcome.
3. Provides a unique solution so that the original data can be reconstructed from the results.
4. Reconfirms the effects and correlation of an existing set of pre-determined factors.

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2015

36. Read the following statements regarding Aligning HR products and services in the Deloitte Framework:

I. Segmenting HR customers involves assessing the needs of each workforce segment and tailoring programs to them.
II. Prioritizing HR investments involves analyzing the cost, benefit, and risk of delivering each offering across the workforce life cycle.
III. Designing HR services requires performing an HR process analysis to identify processes that should be streamlined or re-engineered.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2012

37. What is the most fundamental starting point for a true transformation of the HR function?

(A) Defining HR value by focusing on who the receivers are and what they specifically receive.
(B) The centralization of all administrative HR processes into a single shared-services department.
(C) Outsourcing development and training activities to specialized third-party educational vendors.
(D) Renaming the personnel department to Human Resources to reflect a shift in departmental title.

May/June 2011

38. Match the statistical and HR concepts in List I with their practical applications in List II:

List I: (Concept)

P. Dimension
Q. Independent Variable
R. Variable Screening
S. Homogeneous sets

List II: (Practical Application)

1. Term used in survey research to describe the factors that collapse multiple variables.
2. Identifying groupings to allow an organisation to select one item to represent many.
3. Grouping of variables that share underlying factors into new clustered categories.
4. The basic meaning of 'Factor' in the context of the relationships analyzed in this model.

(A) P-3, Q-1, R-4, S-2
(B) P-2, Q-3, R-1, S-4
(C) P-4, Q-2, R-3, S-1
(D) P-1, Q-4, R-2, S-3

Oct/Nov 2020

39. Read the following statements and select the correct option.

I. To calculate the ROI of human capital, operating expenses, salaries, and benefits are deducted from gross revenue, and the result is divided by the cost of salaries and benefits.
II. To calculate the ROI of a specific program, the costs of implementing the program must first be divided by the value of the specific program.

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2022

40. Match the HR team constitution roles in List I with their corresponding descriptions in List II:

List I: (HR Role)

P. The Resourcing Expert
Q. The Developer
R. The Behavioural Specialist

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Oct/Nov 2006

51. Read the following statements regarding the Acquisition of Employees:

I. HR Planning entails determining how many employees the organisation needs and where they should be working.

II. The cost per hire and interviewing cost are critical metrics in deciding the cost of acquiring employees.

III. Background checks of prospective employees can safely be completed after the new employee starts working to expedite talent acquisition.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2019

52. Arrange the following initial steps of the Seven-Step Model for Using HR as a Strategic Business Asset in the correct sequential order:

I. Create a strategy map for the firm

II. Identify HR deliverables within the strategy map

III. Clarify and articulate the business strategy

IV. Develop the business case for HR as a strategic asset

(A) III, IV, I, II
(B) IV, III, II, I
(C) I, II, III, IV
(D) III, I, IV, II

May/June 2021

53. Match the strategic phases of the Deloitte HR Framework in List I with the steps they contain in List II:

List I: (Strategic Phase)

P. Define human capital value
Q. Align HR products and services
R. Deliver value
S. Measure impact

List II: (Steps Included)

1. Ensure right HR service delivery model and build HR brand.
2. Segment HR customers and prioritize HR investments.
3. Understand the business strategy and define HR strategy.
4. This is a component of delivering value rather than a distinct primary phase.

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2010

54. Read the following statements and select the correct option.

I. IDP operates as an alternative replacement for the annual performance management process.

II. The IDP process is directed by the manager without requiring partnership from the employee.

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2005

55. Which of the following pairs accurately matches the step in ROI calculation for HR programs with its corresponding description?

(A) Step 3: Calculate the ROI of the program — Stating the recovery time in time slots or cash terms.
(B) Step 2: Identify the likely benefits — Assessing fixed, variable, and sunk costs.
(C) Step 1: Identify all potential costs — Calculating the breakeven point or opportunity cost of capital.
(D) Step 1: Identify the likely benefits — Determining the economic impact of average versus superior performance.

Oct/Nov 2022

56. Why is focusing on organisational behaviour deemed important in assessing the attainment of business goals?

(A) Ensuring employee thoughts and actions correspond to the organization's strategic intent.
(B) Determining the specific compensation figures for the most senior members of the executive team.
(C) Eliminating the need for formal professional training and skills development programs in the company.
(D) Directly computing the annual financial budget variances for the current fiscal reporting period.

NODIA

HR deliverables such as cost per new hire.

III. Execute management by measurement requires treating the HR scorecard as a one-off event.

Which of the above statement(s) is/are correct?

(A) Only I is correct
(B) I and II only
(C) II and III only
(D) Only III is correct

May/June 2023

46. Why do a number of progressive companies choose to outsource routine HR activities?

(A) Because HR is typically viewed as a core operational unit that drives immediate sales.
(B) Because it identifies routine HR activities as back-office functions that are not directly related to core strategic activities.
(C) Because the organisational development process requires direct intervention from external consultants.
(D) It ensures the organisation maintains strict compliance with international manufacturing standards.

Oct/Nov 2018

47. Read the following statements and select the correct option.

I. It has been suggested that the performance of school children on a large number of subjects is linearly related to a common underlying factor called 'g'.

II. Factor Analysis has been used to formulate a 16-Factor Model of Personality to explain intelligence.

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2007

48. Match the legs of the Balanced Scorecard in List I with their respective areas of analysis in List II:

List I: (Balanced Scorecard Leg)

P. Learning and growth
Q. Business processes
R. Customer perspectives
S. Financial data

List II: (Area of Analysis)

1. Evaluating operational management to track gaps, delays, bottlenecks, or waste.
2. Gauging satisfaction with quality, price, and availability of products or services.
3. Analyzing sales, expenditures, and income through ratios and budget variances.
4. Investigating how effectively employees utilize captured information for competitive advantage.

(A) P-1, Q-4, R-3, S-2
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2025

49. Which of the following pairs incorrectly matches the step in the Deloitte HR Strategy Framework with its core action?

(A) Step 6: Ensure right HR service delivery model — Define human capital value through overarching business strategy.
(B) Step 4: Prioritize HR investments — Allocate funding for parts of the people services portfolio.
(C) Step 1: Understand the business strategy — Understand market forces, trends and identify their impact on HR strategy.
(D) Step 9: Build HR brand — Design, develop and implement an integrated communication process.

May/June 2012

50. Match the points from the 5-Point Agenda for HR Professionals in List I with their operational requirements in List II:

List I: (Agenda Point)

P. Understand the business environment
Q. Get involved in operational details
R. Bridge the gap between HR and IR
S. Move to a value creation paradigm

List II: (Operational Requirement)

1. Take an integrated look at people as workers become more qualified and multi-skilled.
2. Use frameworks like EVA rather than just reporting the number of people hired.
3. Anticipate issues of concern to top management before they come on the table.
4. Perform functions typically expected of line managers to focus more on performance issues.

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-1, Q-2, R-3, S-4

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S. The Value Creator

List II: (Description)

1. Believes in the Pygmalion Effect and plays the role of a coach, catalyst, and mentor.
2. Ensures candidates have a combination of education, good family upbringing, and social skills.
3. Sources out exceptional talent by looking at value created by individuals over time.
4. Acts as a good mind reader and body language expert to anticipate undesirable practices.

(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2023

41. Read the following statement(s) regarding Performance Management:

I. Many organisations still view the performance appraisal as an annual ritual and primarily the responsibility of the HR function.
II. Effective performance management requires that the annual performance appraisal process be expanded to occur bi-annually.
III. One critical strategy is to clearly identify the purpose and role of each individual to determine where deficiencies exist and develop corrective actions.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

May/June 2014

42. What represents the real challenge for HR planning in the upcoming years?

(A) Transitioning the entire corporate recruitment process to external specialist headhunters.
(B) Managing employee benefits and payroll systems efficiently and without any administrative errors.
(C) Predicting manpower needs based on product demand while optimizing overall employee spend.
(D) Eliminating all forms of employee attrition regardless of their individual performance levels.

NODIA

Oct/Nov 2014

43. Which of the following pairs correctly matches the type of Factor Analysis with its fundamental methodology?

(A) Exploratory factor analysis — Hypothesizes casual relationships on a linear equation model.
(B) Common factor analysis — Uses an estimate of common difference or variance among the original variables.
(C) Structural equation modeling — Reconfirms the effects and correlation of pre-determined factors.
(D) Principal component analysis — Generates a solution where the number of factors is always less than the original factors.

May/June 2016

44. Match the learning-related terms in List I with their contextual definitions in List II:

List I: (Learning Term)

P. Training
Q. Development
R. Education
S. Management Development

List II: (Contextual Definition)

1. Imparting specific skills for particular purposes to do a particular job.
2. Activities that have a substantial influence in changing the capacity of the individual to perform his assignment better.
3. The broad nature and direction of change induced in employees through the learning process.
4. Used in a broader sense involving the development of an individual socially, intellectually, and physically.

(A) P-2, Q-1, R-4, S-3
(B) P-3, Q-4, R-2, S-1
(C) P-4, Q-2, R-1, S-3
(D) P-1, Q-3, R-4, S-2

Oct/Nov 2009

45. Read the following statements regarding the HR Strategic Measurement System:

I. A well thought-out HR scorecard captures the full impact of HR through four basic dimensions.
II. Core efficiency measures include HR activities and processes designed to produce

May/June 2018

57. Read the following statements regarding HR Transformation:

I. Investing in e-HR services such as portals and online employee services is sufficient to achieve complete HR transformation.

II. Changing a single HR practice like staffing or appraisal does not create a transformation.

III. Transformation requires focusing HR practices jointly on value-added agendas in intangibles like customer connection and organisation capabilities.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2016

58. Match the HR New Roles in List I with their broad functions in List II:

List I: (Role Category)

P. Core People Role
Q. Organisational Value-Added Role
R. Business Transformation Role
S. HR Technology Role (Virtual/Assumed)

List II: (Broad Function)

1. Aligning HR initiatives to business strategies and assessing return on investment on human capital.
2. Selection, orientation, career development, motivation, compensation, and retention.
3. This specific role category is not defined in the three-role framework.
4. HR technology services, creating a learning work-environment, and consulting.

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-1, R-2, S-3
(C) P-1, Q-3, R-4, S-2
(D) P-3, Q-2, R-1, S-4

May/June 2014

59. Read the following statements and select the correct option.

I. Vertical fit envisages a congruence between all HR activities.

II. Horizontal fit envisages a congruence between HR strategy and the organisation's business strategy.

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2007

60. Match the specific steps in the 'Deliver value' phase of the Deloitte Framework in List I with their corresponding actions in List II:

List I: (Deloitte Phase Step)

P. Step 6: Ensure right HR service delivery model
Q. Step 7: Establish right HR capabilities
R. Step 8: Improve HR operational excellence continuously
S. Step 9: Build HR brand

List II: (Corresponding Action)

1. Assess the efficiency of HR-related services through HR Cost and Activity Analyses.
2. Identify delivery enablers such as system processes and infrastructure.
3. Obtain feedback on how HR is and should be performing.
4. Conduct a skills analysis and develop training and recruiting plans.

(A) P-1, Q-3, R-2, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-1, R-3, S-2
(D) P-3, Q-2, R-4, S-1

May/June 2025

61. Read the following statements regarding the features of Strategic HRM (SHRM):

I. There is an explicit linkage between HR policy and practices and the overall organisational environment.

II. It focuses on the organisation's human resources as a secondary source of competitive advantage.

III. The activities of SHRM emphasize HR programs as the means to deploy people for competitive advantage.

IV. Vertical fit refers to a congruence between all HR activities.

V. The people, practices, and planned patterns are directed towards the achievement of the organisation's goals.

Which of the above statement(s) is/are correct?

(A) I, II, and III only
(B) I, III, and V only
(C) II, IV, and V only
(D) I, III, IV, and V only

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(A) 5
(B) 10
(C) 15
(D) 20

Oct/Nov 2021

29. Which of the following statements regarding the broad functions under HR's new roles is incorrect?
(A) The Core People Role includes selection, orientation, career development, and compensation.
(B) The Organisational Value-Added Role includes HR technology services and creating a learning work-environment.
(C) The Core People Role involves implementing organisational change and transition with ease.
(D) The Business Transformation Role involves creating a flexible work culture and aligning HR initiatives to business strategies.

May/June 2024

30. How is the Return on Investment (ROI) of human capital mathematically calculated?
(A) Dividing the total cost of salaries and benefits by the gross revenue figure before any operating expenses are deducted.
(B) Dividing the financial value generated by a specific program by the total costs incurred during its implementation.
(C) Dividing the average cost of each new hire by the total annual human resource expenses allocated per individual employee.
(D) Dividing the organization's net revenue (after operating expenses and salaries) by the cost of salaries and benefits.

Oct/Nov 2008

31. Arrange the following steps of the Deloitte HR Strategy Framework in the correct chronological sequence:
I. Segment HR customers
II. Define HR strategy
III. Prioritize HR investments
IV. Understand the business strategy
(A) I, II, III, IV
(B) IV, II, I, III
(C) II, IV, III, I
(D) IV, I, II, III

May/June 2006

32. Which of the following pairs incorrectly matches the era or perspective of HR strategy with its descriptive characteristic?
(A) Traditional perspective — Viewed HR as being purely administrative, managing benefits and payroll.
(B) Alignment perspective — Driving out inefficiencies by treating HR as a back office function.
(C) 1990s perspective — HR started to be seen as a strategic asset.
(D) High-performance perspective — Using HR to achieve greatness.

Oct/Nov 2017

33. What is the primary advantage of executing management by measurement using a well-constructed HR scorecard?
(A) Acting as a one-off event to prove the functional necessity of the human resources department.
(B) Monitoring firm results on an ongoing basis to make periodic adjustments to HR inputs.
(C) Guaranteeing a reduction in the variable costs associated with current production operations.
(D) Removing the requirement for an annual performance appraisal process for all staff members.

NODIA

May/June 2008

34. Read the following statements and select the correct option.
I. In certain organizational contexts, employees may view assignments primarily as a means for international relocation, leading to concerns regarding professional outflow.
II. Transitioning to hiring from top-tier business schools with competitive salaries can help an organisation shift its image toward being a high-value employer.
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2013

35. Match the types of Factor Analysis in List I with their characteristics in List II:
List I: (Type of Analysis)

II. The 'learning and growth' leg handles how well information is captured and utilized by employees.
III. 'Business processes' are evaluated by tracking financial data such as receivables and income targets.
IV. The balanced scorecard is often referred to as a management tool, not a measurement tool.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, III, and IV only

Oct/Nov 2005

68. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): Banks need to identify, tap, and groom new generation tech-savvy employees by placing them in jobs best suited to their potential.
Reason (R): The 'Baby Boomers' are slowly exiting out of the banks through reaching superannuation, making the new generation employees the future of the banks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

69. Read the following scenario and answer the question that follows.
Continuing with its transformation, a bank's HR department is tasked with analyzing the workforce. They determine that the cybersecurity and digital banking teams are the most critical workforce segments needed to achieve digital transition results. They then assess the needs of these specific segments to draw up tailored programs.
Which step in the 'Align HR products and services' phase is being performed?
(A) Step 3: Segment HR customers
(B) Step 4: Prioritize HR investments
(C) Step 6: Ensure right HR service delivery model
(D) Step 7: Establish right HR capabilities

Oct/Nov 2015

70. Read the following statements regarding the steps in the Deloitte HR Framework:
I. Step 2 (Define HR strategy) provides a roadmap for leveraging human capital to address business challenges.
II. Step 4 (Prioritize HR investments) allocates funding for parts of the people services portfolio.
III. Step 7 (Establish right HR capabilities) identifies the skills and competencies required to deliver the HR Strategy.
IV. Step 9 (Build HR brand) involves designing an integrated communication process to market the HR function within the organisation.
V. Step 10 (Measure impact) strictly avoids linking strategic HR priorities to the corporate strategy to maintain unbiased tracking.

Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, IV, and V only

May/June 2013

71. Read the following scenario and answer the question that follows.
Upon collecting the data from a questionnaire, a statistician wants to measure the underlying factors that affect the variables without setting any predefined structure to the outcome.
Which specific type of Factor Analysis should the statistician use for this purpose?
(A) Exploratory factor analysis
(B) Structural equation modeling
(C) Confirmatory factor analysis
(D) Principal component analysis

Oct/Nov 2021

72. Read the following statements regarding the 5-Point Agenda for HR Professionals:
I. HR professionals must spend more time understanding the business environment to anticipate issues for top management.
II. HR professionals should avoid getting involved in the operational nitty-gritties to maintain strategic distance.

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succeeds and is exceptional.

V. When a marketing team is unsuccessful, HR must design a motivational approach through a people's analysis.

Which of the above statement(s) is/are correct?

(A) I, II, IV, and V only
(B) I, II, III, and IV only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2022

83. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.

Assertion (A): The balanced scorecard is used to reinforce good behaviours in an organisation.

Reason (R): It isolates four separate areas—learning and growth, business processes, customers, and finance—that need to be analyzed.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

84. Read the following scenario and answer the question that follows.

Following the segmenting of employees, a bank finds that its budget is constrained. The HR committee evaluates all proposed HR projects by analyzing the expected cost, benefit, and risk of delivering each offering across the workforce life cycle to properly allocate the scarce funding.

Which action best describes the process the bank is undertaking in this scenario?

(A) Step 1: Understand the business strategy
(B) Step 8: Improve HR operational excellence continuously
(C) Step 4: Prioritize HR investments
(D) Step 10: Measure impact of HR products and services

May/June 2014

85. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.

Assertion (A): Principal component analysis provides a unique solution where the number of generated factors is less than the number of variables.

Reason (R): Principal component analysis allows the original data to be reconstructed from the results and works both ways.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

86. Read the following statements regarding Factor Analysis in HRM:

I. It helps in the identification of underlying factors by clustering variables into homogeneous sets.
II. It allows an organisation to select one variable to represent many through the screening of variables.
III. A questionnaire analyzing "leadership" must always contain exactly 20 items divided equally among task and communication elements.
IV. Prior to using a questionnaire on a large sample, it should first be tested on a small group of people.

Which of the above statement(s) is/are correct?

(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2016

87. Read the following scenario and answer the question that follows.

While implementing HR strategy, a CHRO needs to justify the cost of an advanced robotics training program. The CHRO identifies that the resources invested in the program consist of Fixed costs, Variable costs, and Sunk costs. Next, the CHRO maps out the expected revenue generation resulting from the higher performance of the trained employees.

According to the strategy implementation steps, what is identified after calculating the potential costs?

(A) The breakeven point of the program

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continuously

Oct/Nov 2013

78. Read the following statements regarding the Seven-Step Model for Using HR as a Strategic Business Asset:

I. Step 1 is to clarify and articulate the business strategy.
II. Step 3 involves creating a strategy map for the firm utilizing leading and lagging business indicators.
III. Step 5 aligns the HR architecture with HR deliverables, focusing on the HR function, HR system, and strategic employee behaviors.
IV. Step 6 designs the strategic measurement system exclusively using tangible results measurements.
V. Step 7 is to execute management by measurement.

Which of the above statement(s) is/are correct?
(A) I, II, III, and V only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2015

79. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): Some organisations transition to hiring people from top business schools with competitive salaries as part of a strategy shift.
Reason (R): A shift to offshore business models and the need to increase value added per employee makes employee retention and a higher skill profile more important.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

80. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): For companies growing through mergers and acquisitions, post-merger integration on the people front is a significant factor in the success of the acquisition.
Reason (R): Specialized groups are completely unnecessary for post-merger integration since software majors already possess strong traditional HR strategies.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

81. Read the following scenario and answer the question that follows.
Gamma Tech has recently conducted multiple HR interventions. The HR director wants to know if specific aspects such as "analytical skills" and "coding speed" attribute to the overall quality of "developer efficiency." She prepares a questionnaire with 30 items to distribute to the employees.
Before administering this questionnaire to the entire company sample, what is the recommended immediate next step according to the application of factor analysis?
(A) Executing a test of casual relationships using a comprehensive linear equation model.
(B) Attempting to reconstruct the original data to provide a unique statistical solution.
(C) Testing the questionnaire on a small group to ensure factors represent the variables.
(D) Eliminating all variables that share common characteristics to prevent any data overlap.

Oct/Nov 2020

82. Read the following statements regarding the constitution of the HR department:

I. The Resourcing Expert must ensure recruits have a combination of education, good family upbringing, and social skills.
II. The Developer plays the role of a coach, a catalyst, and a mentor based on the Pygmalion Effect.
III. The Behavioural Specialist relies exclusively on formal organizational procedures to anticipate employee problems.
IV. The Value Creator looks at the commercial value attached to an individual who

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This method is frequently applied in research and human resources to understand patterns in employee attributes, performance metrics, or survey responses for better organizational decision-making.

17. (A) Common factor analysis generates a unique solution where the number of factors is always greater than the number of original factors.
Common factor analysis aims to produce a simplified solution by using estimates of common variance among variables. It does not generate a number of factors greater than the original set of variables; instead, it collapses them into fewer, more manageable factors. This method helps researchers identify the underlying structure of data without assuming the original variables are perfectly independent.

18. (A) 1904
The concept of factor analysis was first introduced in the field of psychology in 1904. Charles Spearman used this statistical method to investigate human intelligence, suggesting that performance across various subjects could be linked to a common underlying factor. Since then, the technique has evolved significantly and is now widely applied across various social sciences and business analytics.

19. (B) Strategically designed pay systems outperform traditional pay systems based on financial objectives.
Research indicates that reward systems designed to be strategically aligned with business goals consistently outperform traditional pay systems based on narrow financial objectives. Effective systems use both financial and non-financial incentives to motivate desired organizational behaviors. This approach ensures that employee efforts are directed toward achieving the company's long-term mission while fostering a high-performance work culture.

20. (A) PCA allows original data reconstruction and generates a number of factors equal to the number of variables.
Principal Component Analysis is distinguished by its ability to provide a unique solution that allows for the full reconstruction of original data. It generates a number of factors equal to the number of original variables. In contrast, common factor analysis focuses on common variance to produce a more simplified factor solution, often resulting in fewer extracted factors.

21. (C) Generating revenue targets for high-performing employees.
Factor analysis offers benefits such as identifying underlying factors common to many variables, clustering variables into homogeneous sets, and screening variables to identify groupings. It is a statistical tool for data reduction and structural identification. Generating specific revenue targets for high-performing employees is a management or financial function, not an inherent outcome of the factor analysis process.

22. (B) Identify HR deliverables within the strategy map
In the seven-step model for using HR as a strategic asset, the fourth step involves identifying HR deliverables within the strategy map. This process links HR activities directly to the business outcomes defined in the strategy map. By clarifying these deliverables, the organization can ensure that its human resource architecture is properly aligned to drive strategic success.

23. (D) An investigation of operational management to track manufacturing efficiency, waste, bottlenecks, and delays.
In the Balanced Scorecard framework, evaluating business processes involves investigating operational management to track manufacturing efficiency, waste, bottlenecks, and delays. This internal perspective helps organizations identify which processes are critical for meeting customer expectations and achieving financial goals. It focuses on optimizing the execution of activities that add the most value to the company's products or services.

24. (D) Step 10: Measure impact of HR products and services strictly separates the corporate strategy from strategic HR priorities to prevent data overlap.
Step ten of the Deloitte framework involves measuring the impact of HR products and services by linking strategic HR priorities directly to the corporate strategy. It utilizes an HR Scorecard to track impact, value, and costs, ensuring that HR efforts are aligned with overall business goals. Separating these strategies would prevent

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(B) The likely benefits
(C) The opportunity cost of capital
(D) The core efficiency measures

Oct/Nov 2009

88. Read the following statements regarding Factor Analysis:

I. Factor Analysis collapses a large number of variables into a few interpretable underlying factors.
II. Exploratory factor analysis measures underlying factors in a data structure with a strictly predefined structure to the outcome.
III. Confirmatory factor analysis is used as a tool to reconfirm the effects and correlation of an existing set of pre-determined factors.
IV. Structural equation modeling hypothesizes casual relationships on a linear equation model.
V. Common factor analysis always results in a number of factors equal to or greater than the number of original factors.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, IV, and V only
(D) III, IV, and V only

May/June 2023

89. Read the following scenario and answer the question that follows.

Alpha Bank has launched a strategic initiative to modernize its human capital approach. The HR head decides to adopt the Deloitte HR Strategy Framework. He emphasizes the need to define how the organisation will leverage human capital to address impending market disruptions and achieve business objectives. He tasks his team with creating a roadmap to outline a unique competitive advantage.

According to the Deloitte HR Strategy Framework, which specific step is being executed by providing this roadmap?
(A) Step 1: Understand the business strategy
(B) Step 2: Define HR strategy
(C) Step 3: Segment HR customers
(D) Step 4: Design HR services

Oct/Nov 2018

90. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.

Assertion (A): Core efficiency measures make no direct contribution to the firm's strategy implementation.
Reason (R): Core efficiency measures consist of significant expenditure items, whereas strategic efficiency measures are activities and processes designed to produce HR deliverables.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

91. Read the following scenario and answer the question that follows.

Sigma Finance is revamping its HR functions to connect strategy to operations. The HR head abolishes the old system of viewing performance appraisal solely as an annual ritual. Instead, she implements a process where each employee is fully aware of their role, the type of output expected, and how it will be measured.

This shift in approach by the HR head is a critical strategy in which HR function?
(A) Acquisition of Employees
(B) Performance Management
(C) Training and Development
(D) Reward System

Oct/Nov 2025

92. Read the following scenario and answer the question that follows.

Omega Retail Chain is facing high attrition. The CEO hires a professional who acts as a catalyst and mentor to young employees, believing strongly in the Pygmalion Effect to transform them into exceptional retail managers.

Under the constitution of the HR department, which role is being primarily fulfilled?
(A) The Resourcing Expert
(B) The Behavioural Specialist
(C) The Developer
(D) The Value Creator

May/June 2012

93. Read the following scenario and answer the question that follows.

After initial analysis, a statistician hypothesizes

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a causal relationship between a set of variables and factors, and decides to test these casual relationships on a linear equation model to confirm the results.

Which statistical technique is being applied by the statistician in this scenario?

(A) Principal component analysis
(B) Exploratory factor analysis
(C) Common factor analysis
(D) Structural equation modeling

Oct/Nov 2006

94. Read the following scenario and answer the question that follows.

As part of strategy execution, HR professionals start internalizing a knowledge creation and dissemination mindset. They design incentive systems that reflect the importance of documentation and sharing of knowledge within the organisation.

This action aligns with which point of the 5-Point Agenda for HR Professionals?

(A) HR professionals must spend more time understanding the business environment.
(B) HR professionals must move towards taking an integrated look at the people, bridging the gap between HR and IR.
(C) HR professionals must see themselves as knowledge workers and facilitators of knowledge flows.
(D) HR professionals need to change from a support paradigm to a value creation paradigm.

May/June 2019

95. Read the following scenario and answer the question that follows.

A retail organisation requires fresh talent. The recruitment head ensures that candidates selected not only have the right education but also good family upbringing and social skills, indicating their potential to grow with the organisation.

Which of the following roles correctly identifies the function of this recruitment head?

(A) The Resourcing Expert
(B) The Value Creator
(C) The Behavioural Specialist
(D) The Developer

May/June 2021

96. Read the following scenario and answer the question that follows.

A research study seeks to understand the association between HR practices and employee outcomes. The HR director decides to use a statistical measure to examine the relationship between the factors extracted from various HR practices before reducing the items.

According to the process of factor analysis in HR research, which test must be carried out between factors prior to reducing the items?

(A) Variance estimation test
(B) Correlation test
(C) Standard deviation calculation
(D) Percentage evaluation

Oct/Nov 2010

97. Read the following scenario and answer the question that follows.

To complement a new performance system, a compensation team recognizes that employee drives differ. They introduce a scheme where top performers can choose between a cash bonus or a sponsored executive education program, assessing needs to avoid a uniform approach.

This scenario best illustrates the strategic application of which HR system?

(A) Reward System
(B) Acquisition System
(C) Individual Development Plan
(D) HR Technology Framework

May/June 2005

98. Read the following scenario and answer the question that follows.

To address dropping sales, an HR specialist conducts a people's analysis to understand the marketing team's frustrations. She designs a motivational approach to assist them, focusing on the commercial value attached to exceptional individuals.

What HR constitutional role is being executed in this scenario?

(A) The Resourcing Expert
(B) The Value Creator
(C) The Developer
(D) The Behavioural Specialist

Oct/Nov 2022

99. Read the following scenario and answer the question that follows.

At a retail firm, a persistent issue is the existence of departmental silos and undesirable practices on the shop floor. An HR professional uses his

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network to catch up with the grapevine. He is a specialist in body language and anticipates problems before management knows about them, nipping issues in the bud.

Which HR role is being embodied?

(A) The Developer
(B) The Value Creator
(C) The Resourcing Expert
(D) The Behavioural Specialist

May/June 2018

100. Read the following scenario and answer the question that follows.

A finance firm realizes that training candidates often go back to their old ways once they return to work. To prevent this, HR initiates a rigorous process to assess the efficacy of the training by tracking how much new knowledge the employee has gained and applying post-training utilization checks.

Why is careful assessment of training needs and post-training utilization considered crucial in this context?

(A) Providing a complete replacement for standard performance management frameworks in use.
(B) Calculating the specific cost per trainee hour for the departmental HR Scorecard report.
(C) Qualifying the employee for an automatic and mandatory increase in market-linked salary.
(D) Ensuring employees do not get lost in the crowd, which would defeat the training's purpose.

NODIA

ANSWERS

1. (D) Ensure right HR service delivery model
The Deloitte framework's sixth step involves ensuring the right service delivery model. This stage focuses on identifying delivery enablers such as system processes and infrastructure to meet organizational needs efficiently. It aligns HR services with business requirements by determining the most effective methods for service provision across the entire workforce life cycle.

2. (C) Understanding each employee's role in the mission to maximize their potential and organizational value.
Effective performance management centers on understanding the specific role each employee plays within the mission. By clearly defining expectations and measuring individual contributions, organizations can maximize potential and organizational value. This shift moves away from viewing appraisals as annual rituals, focusing instead on identifying deficiencies and developing corrective actions to achieve strategic goals.

3. (C) Activities influencing an individual's capacity to perform assignments better and increasing potential for future roles.
Management development encompasses activities designed to enhance an individual's ability to perform current assignments and increase their potential for future roles. It goes beyond technical skills to include social and intellectual growth. This process influences long-term capacity, ensuring employees are prepared to handle more complex responsibilities as the organizational environment evolves.

4. (C) HR professionals must avoid getting involved in the operational nitty-gritties to maintain an objective perspective.
The 5-point agenda emphasizes that HR professionals must increase their involvement in operational details. By performing functions typically expected of line managers, they can better address performance issues and management concerns. This approach allows HR to anticipate strategic challenges and contribute more effectively to the business environment rather than maintaining a purely support-oriented distance.

5. (B) Value is defined by the receiver, requiring any value proposition to begin with a focus on receivers.
The foundational premise of HR value is that it is defined by the receiver rather than the giver. HR professionals must focus on the impact of their services on stakeholders like employees, managers, and investors. Successful value propositions align HR actions with the specific needs and desired outcomes of those who receive and benefit from them.

6. (B) Ensure right HR service delivery model
Within the Deloitte HR Strategy Framework, aligning HR products and services includes segmenting customers, prioritizing investments, and designing services. Ensuring the right HR service delivery model is actually part of the subsequent phase focused on delivering value. This distinction ensures that service design and prioritization occur before establishing the structural mechanisms for actual delivery.

7. (B) A process linking HRM with strategic goals to improve performance, develop culture, and foster innovation.
Strategic Human Resource Management is a process that links human resources with the strategic goals of the organization. It aims to improve business performance, foster innovation, and develop an organizational culture that supports the company's long-term objectives. This integrated approach ensures that all people-related practices directly contribute to achieving a sustainable and unique competitive advantage.

8. (B) Transformation changes behavior and outputs by integrating HR practices focused on a value-added agenda.
HR transformation involves changing behaviors and outputs by integrating various HR practices into a unified, value-added agenda. It is not

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achieved by simply adopting digital tools or altering single practices. Instead, it requires a fundamental shift in how HR contributes to organizational capabilities, customer connections, and intangibles, ultimately delivering tangible results for the business.

9. (B) Step 3 involves calculating the ROI of the program, which can only be expressed in time slots and never as a percentage.
Calculating the Return on Investment for HR programs involves dividing the value generated by the program by its implementation costs. While the results can be expressed as a recovery period in time slots, they are frequently expressed as a percentage or ratio. This financial metric helps justify HR expenditures by demonstrating the tangible economic impact of human capital investments.

10. (C) More than $ 60 billion
Organizations in the United States invest significant resources into employee training and development, with annual spending exceeding sixty billion dollars. This substantial financial commitment highlights the perceived value of continuous learning in maintaining a competitive workforce. Such investments are aimed at improving specific skills, enhancing individual performance, and ensuring long-term organizational growth through human capital.

11. (D) Transforming the organization into an individualized corporation through mergers and acquisitions.
The 5-point agenda for HR professionals focuses on understanding the business environment, bridging the gap between HR and industrial relations, and transitioning to a value-creation paradigm. While mergers and acquisitions may occur, the specific agenda item regarding individualized corporations focuses on organizational structure rather than just the transactional mechanics of corporate acquisitions or expansion strategies.

12. (C) The process of collecting and evaluating information about an individual in order to extend an offer of employment.
Selection is the process of gathering and assessing information about candidates to determine their suitability for a specific role. It involves evaluating various attributes to predict who will perform best, ultimately leading to an offer of employment. This systematic approach ensures that the organization acquires talent that aligns with its operational requirements and strategic objectives for growth.

13. (B) It complements performance management and encourages employees to invest in their work and themselves.
An Individual Development Plan serves as a partnership between an employee and their manager to build skills and prepare for career goals. It complements performance management by encouraging individuals to invest in their own professional growth. This collaborative action plan outlines realistic steps to enhance talent, ensuring that personal career aspirations align with the organization's needs.

14. (C) The traditional perspective viewed HR as purely administrative, whereas in the 1990s, HR started to be seen as a strategic asset.
The traditional view of human resources was primarily administrative, focusing on functions like benefits management and payroll. During the 1990s, the perspective shifted significantly as HR began to be recognized as a strategic asset. This evolution moved the department from being a back-office support function to a critical contributor in achieving competitive advantage and business success.

15. (D) The Quality Controller
To build a strong and respected team, HR must include roles such as the resourcing expert, the developer, the behavioral specialist, and the value creator. These roles address talent acquisition, coaching, cultural anticipation, and commercial impact. A quality controller is not traditionally defined as one of the core constitutional roles required for HR to command organizational respect.

16. (A) A statistical method grouping variables into interpretable factors based on the closeness of their relationships.
Factor analysis is a statistical technique used to group multiple variables into a smaller number of interpretable factors based on their relationships. By identifying common underlying dimensions, it simplifies complex data structures.

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III. HR professionals must bridge the gap between HR and IR as shop floor workers become more qualified and multi-skilled.
IV. HR professionals must shift from a value creation paradigm to a strictly support paradigm.

Which of the above statement(s) is/are correct?
(A) I and III only
(B) II and IV only
(C) I, II, and III only
(D) I, III, and IV only

May/June 2024

73. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): Background checks of prospective bank employees must be completed well before the new entrant steps into the organisation.
Reason (R): Completing background checks after the employee starts working may result in the organisation paying a heavy price if the new entrant possesses a criminal background and commits a fraud.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

74. The following questions consist of two statements — Assertion (A) and Reason (R). Answer these questions selecting the appropriate option.
Assertion (A): Any HR value proposition must begin with a focus on the receivers of the HR services.
Reason (R): Value in HR is defined by the giver (the HR professional), as they have the beliefs, goals, and actions that translate into desired organisational results.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

75. Read the following scenario and answer the question that follows.
After a training program concludes, a company's gross revenue after deducting operating expenses, salaries, and benefits is calculated. The CHRO then divides this net revenue figure by the total cost of salaries and benefits.
What specific metric is the CHRO calculating through this mathematical operation?
(A) The ROI of a particular program
(B) The strategic efficiency measure
(C) The core efficiency measure
(D) The ROI of human capital

Oct/Nov 2017

76. Read the following statements regarding the Premise of HR Value:
I. Value is defined by the giver, not the receiver, making HR's internal beliefs the most critical factor.
II. To an employee worried about layoffs, HR should demonstrate that being more productive will help them stay employed.
III. To a line manager worried about strategic goals, HR must show how investment in sales training delivers business results.
IV. HR professionals must establish linkages between employee commitment, customer attitudes, and investor returns.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, and IV only

May/June 2008

77. Read the following scenario and answer the question that follows.
In the final phase of a framework implementation, a bank focuses on ensuring the HR staff succeeds. The bank designs supporting tools and IT infrastructure and assesses the efficiency of HR-related services through HR Cost and Activity Analyses.
This focus on assessing efficiency and designing supporting infrastructure corresponds to which step of the Deloitte Framework?
(A) Step 5: Design HR services
(B) Step 7: Establish right HR capabilities
(C) Step 9: Build HR brand
(D) Step 8: Improve HR operational excellence

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the accurate assessment of HR's contribution to organizational success.

25. (B) The pattern and plan of SHRM envisage a congruence between HR strategy and the organisation's business strategy (vertical fit).
A central feature of Strategic Human Resource Management is the emphasis on vertical fit, which ensures congruence between HR strategy and the organization's business strategy. This approach treats human resources as a primary source of competitive advantage. It requires planned patterns and activities to be directed toward the achievement of specific goals, ensuring HR practices support the broader organizational mission.

26. (D) An action plan of realistic steps taken by an employee to build skills, use talents, or prepare for career goals.
An Individual Development Plan is an action plan consisting of realistic steps taken by an employee to build skills, utilize talents, or prepare for future career goals. It is a collaborative process between the employee and their manager. Unlike ritualistic annual reviews, an IDP focuses on long-term professional growth and enhancing an individual's value within the organization.

27. (A) Supply chain management
The Balanced Scorecard isolates four specific areas for analysis: learning and growth, business processes, customers, and financial data. These legs work together to provide a comprehensive view of organizational performance. While supply chain management is a critical business function, it is not listed as one of the four primary dimensions within the standard Balanced Scorecard framework.

28. (B) 10
In a leadership attribute questionnaire analyzed using factor analysis, items are typically divided into distinct categories such as task and communication elements. For a twenty-item survey, if these categories are balanced, ten items would specifically focus on communication attributes. This classification allows researchers to identify the underlying factors that contribute to overall leadership effectiveness within a structured statistical model.

29. (C) The Core People Role involves implementing organisational change and transition with ease.
The Core People Role focuses on traditional HR functions like selection, orientation, career development, and compensation. Implementing organizational change and transition is actually a part of the Business Transformation Role. This newer role is dedicated to aligning HR initiatives with business strategies and creating a flexible work culture that can effectively adapt to significant environmental shifts.

30. (D) Dividing the organization's net revenue (after operating expenses and salaries) by the cost of salaries and benefits.
The Return on Investment for human capital is calculated by taking the organization's net revenue (gross revenue minus operating expenses, salaries, and benefits) and dividing it by the total cost of salaries and benefits. This metric measures the financial value generated for every dollar spent on employees. It provides a clear indicator of how effectively the workforce contributes to profitability.

31. (B) IV, II, I, III
The Deloitte HR Strategy Framework begins with understanding the business strategy to identify market forces. This is followed by defining the HR strategy as a roadmap. The process then moves to segmenting HR customers to assess specific workforce needs. Finally, the organization must prioritize HR investments by analyzing the costs and benefits of various service offerings.

32. (B) Alignment perspective — Driving out inefficiencies by treating HR as a back office function.
The perspective of driving out inefficiencies by treating HR as a back-office function is characteristic of the administrative or traditional view, not the alignment perspective. The alignment perspective focuses on ensuring HR practices support business goals. Modern HR strategy has evolved through stages including the traditional administrative view, the 1990s strategic asset view, and the current high-performance focus.

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evaluated through operational efficiency metrics like manufacturing waste and delays, not by tracking financial data like receivables and income targets, which fall under the finance leg of the framework.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks must focus on grooming tech-savvy employees because the older 'Baby Boomer' generation is reaching retirement age. This demographic shift makes the younger, more technologically adept generation the future of the banking industry. Placing these individuals in roles suited to their potential is essential for banks to remain competitive and adapt to the increasing digitalization of financial services.

69. (A) Step 3: Segment HR customers
The bank is performing Step 3: Segment HR customers. This step involves identifying critical workforce segments, such as cybersecurity and digital banking teams, and assessing their specific needs. By tailoring programs to these critical groups, the organization ensures that its HR offerings are directly aligned with the most important human capital requirements for achieving strategic digital transition goals.

70. (A) I, II, III, and IV only
The Deloitte framework uses Step 2 to define a roadmap for human capital and Step 4 to allocate funding for people services. Step 7 identifies necessary competencies, while Step 9 involves integrated communication to market the HR function. It is incorrect to suggest that Step 10 avoids linking strategic HR priorities to corporate strategy; that linkage is essential for measurement.

71. (A) Exploratory factor analysis
The statistician should use Exploratory Factor Analysis to measure underlying factors in a data structure without setting any predefined structure to the outcome. This technique allows for the discovery of patterns and structures within the variables based solely on the collected data. It is particularly useful in the early stages of research for identifying common dimensions among many measured variables.

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72. (A) I and III only
The 5-point agenda requires HR professionals to understand the business environment to anticipate management concerns and to bridge the gap between HR and IR as workers become more multi-skilled. It is incorrect to say HR should avoid operational details; they must increase their involvement. Furthermore, HR should shift toward a value-creation paradigm, not a strictly support-oriented one.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Background checks for prospective bank employees must be completed before they start work. Postponing these checks can be extremely costly if an employee has a criminal record and subsequently commits fraud. In highly regulated sectors like banking, ensuring the integrity of new entrants is a critical preventative measure for risk management and protecting the organization's assets and reputation.

74. (C) Assertion (A) is true, but Reason (R) is false.
While it is true that an HR value proposition must focus on the receivers of HR services, value is defined by the receiver, not the giver. The beliefs and goals of the HR professional do not determine value; instead, value is realized through the outcomes experienced by stakeholders like managers, employees, and investors. The reason provided is fundamentally incorrect.

75. (D) The ROI of human capital
The CHRO is calculating the ROI of human capital. This is done by taking the net revenue, which is gross revenue minus operating expenses, salaries, and benefits, and dividing it by the total cost of salaries and benefits. This formula provides a financial measure of the value generated by the organization's investment in its people, reflecting the overall efficiency of human capital.

76. (B) II, III, and IV only
HR professionals must establish clear linkages between employee commitment, customer attitudes, and investor returns. They must demonstrate how specific HR activities, such as sales training or productivity improvements, deliver measurable business results to stakeholders. It is incorrect to state that value is

reviews may be beneficial, there is no universal rule that appraisals must specifically occur bi-annually to be considered effective performance management.

42. (C) Predicting manpower needs based on product demand while optimizing overall employee spend.
The primary challenge for human resource planning is predicting future manpower needs based on product and service demand while simultaneously optimizing employee spending. This requires a sophisticated understanding of how workforce requirements fluctuate with business cycles. Effective planning ensures the organization maintains the right number of employees in appropriate roles to perform at its optimum level.

43. (B) Common factor analysis — Uses an estimate of common difference or variance among the original variables.
Common factor analysis uses an estimate of common variance among original variables to identify underlying factors. It differs from Principal Component Analysis, which utilizes all variance. Other methods like structural equation modeling test causal relationships on linear models, while exploratory analysis seeks structure without predefined outcomes. These statistical techniques provide essential tools for understanding complex relationships within organizational and behavioral data.

44. (D) P-1, Q-3, R-4, S-2
Training involves imparting specific skills for particular jobs, whereas education refers to the broad development of an individual across multiple domains. Development describes the overall direction of change induced through learning. Management development specifically includes activities that influence an individual's capacity to perform assignments better and increases their potential for more complex, future leadership roles within the firm.

45. (A) Only I is correct
A well-constructed HR scorecard captures organizational impact through four basic dimensions: learning and growth, business processes, customers, and finance. While core efficiency measures track items like cost per hire, strategic efficiency measures focus on HR deliverables. Furthermore, management by measurement must be an ongoing process rather than a one-off event to be effective for continuous improvement.

46. (B) Because it identifies routine HR activities as back-office functions that are not directly related to core strategic activities.
Progressive companies often outsource routine HR activities because these are viewed as back-office functions that do not directly contribute to core strategic objectives. By offloading administrative tasks like payroll and benefits management, HR departments can focus more on value-added activities such as talent development and strategic alignment. This shift allows the HR function to become a more effective business partner.

47. (C) Both I and II are correct
Early applications of factor analysis by Spearman suggested that children's academic performance was related to a common underlying factor termed 'g'. Additionally, the technique has been used to develop complex personality models, such as the 16-Factor Model of Personality. These examples demonstrate the historical and theoretical importance of factor analysis in understanding human intelligence and psychological traits.

48. (B) P-4, Q-1, R-2, S-3
The learning and growth leg focuses on employee information utilization, while business processes track operational efficiency and bottlenecks. Customer perspectives gauge satisfaction with product quality and price. Financial data analysis involves reviewing sales, expenditures, and budget variances. These four dimensions provide a balanced view of performance, ensuring the organization does not focus solely on short-term financial results.

49. (A) Step 6: Ensure right HR service delivery model — Define human capital value through overarching business strategy.
Step six of the Deloitte framework is ensuring the right HR service delivery model by identifying delivery enablers like systems and infrastructure. Defining human capital value through the business strategy is actually part of the first phase of the framework. This initial step ensures that the

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overall HR approach is rooted in the company's competitive needs and market environment.

50. (C) P-3, Q-4, R-1, S-2
Understanding the business environment requires anticipating top management concerns. Getting involved in operational details means performing functions typically expected of line managers. Bridging the gap between HR and IR involves taking an integrated look at multi-skilled workers. Finally, moving to a value-creation paradigm requires using advanced frameworks like Economic Value Added (EVA) to measure HR's organizational impact.

51. (A) I and II only
HR planning involves determining the necessary number of employees and their placement for optimal performance. Key metrics for assessing the acquisition process include cost per hire and interviewing costs. It is incorrect to suggest that background checks can safely be completed after an employee starts; delayed checks pose significant risks, especially in sensitive sectors like banking and finance.

52. (A) III, IV, I, II
The seven-step model begins by clarifying and articulating the business strategy. Next, HR must develop a business case for its role as a strategic asset. Once the case is established, a strategy map for the firm is created using leading and lagging indicators. Finally, the organization identifies specific HR deliverables within that strategy map to drive results.

53. (C) P-3, Q-2, R-1, S-4
The phase to define human capital value includes understanding business strategy and defining HR strategy. Aligning HR products involves customer segmentation and prioritizing investments. Delivering value contains steps like ensuring the delivery model and building the HR brand. Measuring impact is a specialized component focused on tracking results, often integrated into the continuous improvement of operational excellence and service design.

54. (D) Neither I nor II is correct
An Individual Development Plan does not replace the annual performance management process; rather, it complements it by focusing on long-term growth. Furthermore, the IDP process is not solely directed by the manager but is a partnership between the employee and the manager. This collaborative approach ensures that the plan reflects the employee's career goals while meeting organizational talent needs.

55. (A) Step 3: Calculate the ROI of the program — Stating the recovery time in time slots or cash terms.
Step three of the ROI calculation involves stating the program's recovery time in cash terms or time slots. Identifying potential costs is the first step, while identifying likely benefits is the second. These benefits are assessed by looking at the economic impact of superior performance. This structured approach allows organizations to determine the financial feasibility and success of specific HR interventions.

56. (A) Ensuring employee thoughts and actions correspond to the organization's strategic intent.
Focusing on organizational behavior is essential to ensure that the thoughts and actions of employees are aligned with the organization's strategic intent. By understanding and influencing behavior, HR can help the company achieve its business goals more effectively. This alignment ensures that everyone is working toward the same mission, which is critical for maintaining a unified and high-performing culture.

57. (B) II and III only
HR transformation is not achieved by merely investing in e-HR services or changing a single practice like staffing. True transformation requires a holistic approach where various HR practices are jointly focused on value-added agendas. This includes building organizational capabilities and customer connections, ensuring that HR delivers measurable results that contribute to the company's competitive advantage and long-term success.

58. (A) P-2, Q-4, R-1, S-3
The Core People Role covers selection, orientation, and compensation. The Organisational Value-Added Role focuses on HR technology services and creating a learning environment. The Business Transformation Role involves aligning HR initiatives with business strategy and assessing human capital ROI. There is no

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separately defined technology role category, as those services are part of value-added functions.

59. (D) Neither I nor II is correct
Vertical fit refers to the congruence between HR strategy and the organization's business strategy, while horizontal fit refers to the congruence among various HR activities and practices. The provided statements swap these definitions. Achieving both vertical and horizontal fit is essential for ensuring that the HR function is fully integrated and consistent in its efforts to support the firm's objectives.

60. (B) P-2, Q-4, R-1, S-3
Ensuring the right HR service delivery model involves identifying enablers like infrastructure. Establishing the right HR capabilities requires skills analysis and training plans. Improving operational excellence involves assessing efficiency through cost and activity analyses. Building the HR brand requires obtaining feedback on HR's performance. These steps in the Deloitte framework ensure that the HR function effectively supports the organization's strategic goals.

61. (B) I, III, and V only
Strategic HRM involves an explicit linkage between HR practices and the organizational environment. It emphasizes HR programs as a means to deploy people for competitive advantage, treating human resources as a primary rather than secondary source of advantage. Furthermore, all activities are directed toward achieving goals. Vertical fit refers specifically to the alignment between HR strategy and business strategy.

62. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that organizations should devise rewards uniformly across all individuals is false because different employees have different needs and drives. Some are motivated by financial gain, while others value career advancement or non-financial recognition. Therefore, a one-size-fits-all approach is ineffective. Recognizing individual differences is crucial for creating a reward system that successfully motivates a diverse workforce.

63. (B) I, III, and IV only
Delivering value involves ensuring the service delivery model meets organizational needs and continuously improving operational excellence through activity analysis. Measuring impact through an HR Scorecard is also a key component. However, establishing HR capabilities does not encourage leaders to focus solely on administration; instead, it focuses on developing the skills and competencies required to deliver the broader HR strategy effectively.

64. (C) A strategy map for the firm
In this scenario, the CHRO is creating a strategy map for the firm. This step involves establishing leading and lagging business indicators to visualize how various organizational activities produce both tangible and intangible results. By mapping these connections, the organization can better understand how its strategic objectives are achieved and how human resources contribute to those specific outcomes.

65. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that e-HR services automatically transform HR is false. E-HR is primarily a delivery mechanism for administrative services. True transformation requires a change in the nature of the services provided and their focus on value creation. Simply using new digital tools to deliver the same traditional administrative tasks does not fundamentally alter the HR function's role or impact.

66. (A) Execute management by measurement
Continuously utilizing an HR scorecard to monitor firm results and make periodic adjustments is known as executing management by measurement. This approach ensures that HR inputs remain dynamically aligned with the organization's evolving needs. Rather than treating the scorecard as a static reporting tool, this practice uses data to drive ongoing improvements in human resource strategy and operational performance.

67. (C) I, II, and IV only
The Balanced Scorecard reinforces good behaviors by analyzing learning and growth, business processes, customers, and finance. It is considered a management tool for strategic alignment. However, business processes are

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CHAPTER 07
CEO and His/Her Team

May/June 2023

1. In studies of family-owned businesses in North America, what percentage reach a third generation with family members running them?
(A) 15 per cent
(B) 30 per cent
(C) 58 per cent
(D) 1 per cent

Oct/Nov 2018

2. Which statement correctly describes Step 2 (Identify Capabilities for Key Areas and Positions) in the Succession Planning Process?
(A) It involves defining the learning, training, and development experiences required for leadership positions.
(B) It determines who is interested and has the potential to fill key areas by discussing career plans with employees.
(C) It identifies the relevant knowledge, skills, abilities, and competencies needed to achieve business goals.
(D) It involves evaluating whether new employees in key positions perform effectively.

May/June 2014

3. What defines "Line management" within an organisational structure?
(A) A lateral integration system grouping diverse jobs with similar characteristics across different functional department boundaries.
(B) An integrated model for succession planning tailored to retain specialists without restricting their future career advancement.
(C) A hierarchical chain of command where management has direct authority and employees report to only one supervisor.
(D) A team memory developed over time based on past successes, communication, and the sharing of corporate knowledge.

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Oct/Nov 2009

4. Which of the following statements regarding the HR Audit process is incorrect?
(A) The HR Audit is an overall quality control check on various HR activities in a specific division or company.
(B) Defining desired HR practices involves writing statements in the present tense and in a positive manner.
(C) The ideal time to complete an audit is immediately after the annual planning process has concluded.
(D) Assessing current practices involves looking for evidence that supports or refutes each specific statement made.

May/June 2021

5. Conceptually, how does the strategic nature of talent management primarily differ from traditional HR management?
(A) HR is strategic and focuses on long-term goals, while talent management deals with various day-to-day administrative functions.
(B) HR is tactical and deals with day-to-day management, while talent management is strategic and linked to business goals.
(C) Talent management focuses strictly on compensation and benefits, whereas HR focuses on creating organizational job families.
(D) Talent management is centralized entirely within HR, whereas HR management is federated to various front-line managers.

Oct/Nov 2015

6. The Succession Planning Process encompasses five steps. Which of the following is NOT one of these five steps?
(A) Identify Key Areas and Positions within the existing organisation.
(B) Outsource all leadership recruitment to external headhunters.
(C) Develop and Implement Succession and Knowledge Transfer Plans for staff.

defined by the giver; the foundational premise is that value is always defined by the receiver.

77. (D) Step 8: Improve HR operational excellence continuously
Step 8 of the Deloitte Framework focuses on continuously improving HR operational excellence. This involves assessing the efficiency of HR-related services using Cost and Activity Analyses and designing the necessary infrastructure to support HR staff. This step ensures that HR functions operate at peak efficiency, allowing the department to deliver maximum value to the organization while minimizing unnecessary expenditures.

78. (A) I, II, III, and V only
The model begins with clarifying business strategy and moves to creating a strategy map with leading and lagging indicators. Step 5 aligns the HR architecture with deliverables, and Step 7 executes management by measurement. It is incorrect to say Step 6 uses only tangible measurements; a strategic measurement system must incorporate both tangible and intangible results to be effective.

79. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Shifting toward hiring from top-tier business schools with competitive salaries is a strategy used to increase value added per employee. This is driven by the move to offshore business models where a higher skill profile and employee retention become critical for success. Such talent can handle more complex responsibilities, ensuring the organization remains competitive in a globalized business environment.

80. (C) Assertion (A) is true, but Reason (R) is false.
Post-merger integration on the people front is a critical factor in the success of any acquisition, particularly for growth-oriented companies. The assertion is correct. However, the reason is false; specialized groups are often necessary for managing this integration. Traditional HR strategies may not be sufficient to handle the unique cultural and structural challenges that arise during the merging of two distinct organizations.

81. (C) Testing the questionnaire on a small group to ensure factors represent the variables.
Before administering a questionnaire to a large sample, it is recommended to test it on a small group of people. This pilot test ensures that the factors accurately represent the variables and that the items are clear to respondents. This step is crucial for refining the measurement tool and ensuring the reliability and validity of the data collected for subsequent factor analysis.

82. (A) I, II, IV, and V only
HR roles include resourcing experts who look for education and social skills, developers who act as mentors, and value creators who focus on commercial impact. Additionally, HR should design motivational approaches based on people's analysis. It is incorrect to say behavioral specialists rely exclusively on formal procedures; they often use informal networks and the grapevine to anticipate and resolve problems.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Balanced Scorecard is designed to reinforce positive organizational behaviors by focusing on four key areas: learning and growth, business processes, customers, and finance. By analyzing these dimensions, organizations can ensure that all aspects of performance are aligned with strategic goals. This balanced approach prevents an over-emphasis on short-term financial results at the expense of long-term organizational health.

84. (C) Step 4: Prioritize HR investments
The bank is performing Step 4: Prioritize HR investments. This involves analyzing the cost, benefit, and risk of various HR offerings to allocate limited funding to the most impactful projects. By systematically evaluating these factors across the workforce life cycle, the HR committee ensures that resources are directed toward initiatives that provide the greatest return on investment for the organization.

85. (D) Assertion (A) is false, but Reason (R) is true.
The assertion is false because Principal Component Analysis generates a number of factors equal to the number of variables, not less. However, the reason is true; PCA provides a unique solution that allows the original

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33. (B) Monitoring firm results on an ongoing basis to make periodic adjustments to HR inputs.
Executing management by measurement through a well-constructed HR scorecard allows for the ongoing monitoring of firm results. This continuous process enables managers to make periodic adjustments to HR inputs based on real-time performance data. Unlike a one-off event, this approach ensures that HR activities remain dynamically aligned with the organization's evolving strategic needs and operational challenges.

34. (B) Only II is correct
Transitioning to hiring from top-tier business schools and offering competitive salaries is a strategic move to shift an organization's image toward being a high-value employer. This change helps attract higher-caliber talent capable of increasing value added per employee. Such efforts are particularly important for organizations needing to enhance their skill profiles to support complex business models or offshore transitions.

35. (A) P-2, Q-4, R-1, S-3
Exploratory factor analysis measures underlying factors without a predefined structure, while confirmatory analysis reconfirms existing sets of factors. Structural equation modeling uses linear equation models to test causal relationships and hypotheses. Principal component analysis provides a unique solution that allows for data reconstruction. These distinct methodologies offer different statistical approaches to understanding the relationships and structures within complex data sets.

36. (D) I, II, and III
In the Deloitte Framework, segmenting HR customers involves assessing specific workforce needs to tailor programs effectively. Prioritizing HR investments requires analyzing the cost, benefit, and risk of various offerings. Additionally, designing HR services involves performing process analyses to identify areas for streamlining or re-engineering. All three steps are essential for ensuring that HR products and services align with strategy.

37. (A) Defining HR value by focusing on who the receivers are and what they specifically receive.
The fundamental starting point for any true HR transformation is defining value based on the receivers' perspective. It is not enough to change titles or outsource activities; HR must focus on who receives their services and what value is delivered. By understanding the needs of stakeholders, HR can design a value proposition that directly contributes to organizational success and results.

38. (D) P-1, Q-4, R-2, S-3
In survey research, a dimension is a term for factors that collapse multiple variables. An independent variable represents the basic factor analyzed in the model. Variable screening involves identifying groupings to select representative items, thereby reducing complexity. Finally, homogeneous sets refers to the grouping of variables that share underlying factors into new clustered categories for easier data interpretation.

39. (A) Only I is correct
Human capital ROI is calculated by dividing net revenue by the cost of salaries and benefits. To calculate the ROI of a specific program, the value generated by the program is divided by the implementation costs, not the other way around. Accurate financial measurement is essential for HR to demonstrate its impact on the organization's bottom line and strategic success.

40. (D) P-2, Q-1, R-4, S-3
Resourcing experts look for education and social skills, while developers act as mentors based on the Pygmalion Effect. Behavioral specialists use expertise to anticipate undesirable practices and read organizational dynamics. Value creators focus on talent that creates significant commercial impact over time. These diverse roles ensure the HR department can effectively manage talent and contribute to a high-performance work environment.

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41. (B) I and III only
Many organizations still mistakenly view performance appraisal as a ritualistic annual event managed solely by HR. A more effective strategy involves clearly identifying individual roles and purposes to pinpoint deficiencies and develop corrective actions. While frequent

94. (C) HR professionals must see themselves as knowledge workers and facilitators of knowledge flows.
This action aligns with the agenda point that HR professionals must see themselves as knowledge workers and facilitators of organizational knowledge flows. By designing incentive systems that encourage documentation and sharing, HR helps ensure that information is efficiently captured and utilized. This role is crucial for fostering a learning environment and ensuring that valuable intellectual capital is maintained within the company.

95. (A) The Resourcing Expert
The recruitment head is performing the role of the Resourcing Expert. This role involves ensuring that new hires possess a combination of appropriate education, social skills, and a suitable background to grow within the organization. By looking beyond basic technical qualifications to assess overall potential and cultural fit, the Resourcing Expert helps secure high-quality talent for the firm's long-term success.

96. (B) Correlation test
Before reducing items in factor analysis, a correlation test must be performed between the variables. This statistical measure examines the strength and direction of the relationships between different variables. Understanding these correlations is essential for determining how items should be grouped and ensuring that the final data structure is both statistically sound and logically interpretable for research purposes.

97. (A) Reward System
This scenario illustrates the strategic application of a reward system. By offering a choice between cash bonuses and educational programs, the compensation team recognizes that employee motivations differ. Moving away from a uniform approach allows the organization to better satisfy individual needs, which is a key strategy for motivating top performers and aligning rewards with both employee desires and company goals.

98. (B) The Value Creator
The HR specialist is embodying the role of the Value Creator. This role focuses on the commercial value attached to exceptional individuals who succeed within the organization. By analyzing frustrations and designing motivational approaches that highlight individual impact, the Value Creator ensures that human resource activities are directly linked to improving sales performance and overall business success through talent.

99. (D) The Behavioural Specialist
The HR professional is embodying the role of the Behavioural Specialist. This role involves reading organizational dynamics, monitoring the grapevine, and using body language expertise to anticipate problems. By identifying undesirable practices and nipping issues in the bud before management even becomes aware of them, the Behavioral Specialist helps maintain a positive work culture and prevents operational disruptions.

100. (D) Ensuring employees do not get lost in the crowd, which would defeat the training's purpose.
Careful assessment of training needs and post-training utilization ensures that employees do not get lost in the crowd after completing a program. Without these checks, individuals may revert to old habits, defeating the training's purpose. Rigorous tracking of knowledge gain and application ensures that the organization's investment in development leads to sustained improvements in performance.

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data to be reconstructed. This mathematical characteristic distinguishes it from other factor analysis methods that focus on common variance and result in a more simplified structure.

86. (B) I, II, and IV only
Factor analysis identifies underlying factors by clustering variables and allows for variable screening to identify representative items. Pilot testing on a small group before large-scale administration is also a key practice. There is no rigid rule stating a leadership questionnaire must contain exactly twenty items; the number of items should be determined by the specific research objectives and constructs.

87. (B) The likely benefits
According to the strategy implementation steps for HR programs, identifying the likely benefits occurs after all potential costs (fixed, variable, and sunk) have been calculated. Mapping out expected revenue generation from improved employee performance is a key part of this stage. Identifying these benefits is essential for the subsequent step of calculating the program's overall Return on Investment.

88. (B) I, III, and IV only
Factor analysis collapses many variables into interpretable factors, and confirmatory analysis reconfirms existing factor structures. Structural equation modeling tests causal relationships on linear models. It is incorrect to say exploratory analysis has a strictly predefined structure; its purpose is discovery. Furthermore, common factor analysis typically results in fewer factors than the original number of variables, providing a simplified data structure.

89. (B) Step 2: Define HR strategy
According to the Deloitte HR Strategy Framework, the scenario reflects Step 2: Define HR strategy. This step involves creating a clear roadmap that explains how human capital will be used to achieve business goals and build competitive advantage. Since the HR head is outlining how to address disruptions and support objectives through people strategy, it aligns directly with defining the HR strategy.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Core efficiency measures, such as cost per hire, do not directly contribute to strategy implementation because they focus on significant expenditure items rather than strategic outputs. In contrast, strategic efficiency measures track activities and processes specifically designed to produce HR deliverables. Understanding this distinction helps HR managers focus on the metrics that truly drive the organization's competitive success and strategic goals.

91. (B) Performance Management
This shift in approach—moving away from annual rituals to a process where roles and expectations are clearly defined and measured—is a critical strategy in performance management. By ensuring employees understand their contributions to the mission, the organization can more effectively maximize potential. This focus on role clarity and corrective action is essential for achieving strategic objectives and improving overall performance.

92. (C) The Developer
The professional is fulfilling the role of the Developer. This constitutional HR role involves acting as a coach, catalyst, and mentor, often based on the Pygmalion Effect. By believing in the potential of young employees and actively working to transform them into exceptional managers, the Developer helps build a high-performance workforce that adds significant value to the retail chain.

93. (D) Structural equation modeling
The statistician is applying structural equation modeling. This technique involves hypothesizing causal relationships between variables and factors and testing those relationships using a linear equation model. Unlike exploratory methods that search for structure, structural equation modeling is used to confirm and validate specific theoretical models and the strengths of the relationships within them for better data-driven decision-making.

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(D) Identify Capabilities for Key Areas and Positions needed for success.

May/June 2012

7. What is the precise definition of the "chief executive officer" in an organisation that operates with a Board of Directors?
(A) The specific managerial role responsible for executing the tactical day-to-day operations of the various front-line staff members.
(B) The singular position responsible for implementing strategic plans and policies established by the Board.
(C) The high-ranking professional official tasked with federating the hiring and training duties to specific departmental line managers.
(D) The executive official responsible for assessing current HR practices against established criteria and defining goals for improvement.

Oct/Nov 2024

8. Which of the following statements correctly describes a general duty and responsibility of the CEO?
(A) To personally conduct all psychological testing and assessment centres for front-line employees.
(B) To ensure that expenditures of the company are within the authorized annual budget of the company.
(C) To maintain a hierarchical chain of command where the CEO reports directly to middle management.
(D) To exclude external environment factors from internal strategic decision-making processes.

May/June 2019

9. Which of the following statements regarding CEO-led Talent Management is incorrect?
(A) Many CEOs mentor executives in their organisations, regarding the development of the next generation of leaders as leaving a strong legacy.
(B) Good talent management promotes people based only on their performance, regardless of the manner in which they have achieved results.
(C) While CEOs say strong talent management leads to improved financial performance, they do not measure Return on Investment (RoI) explicitly.
(D) The shift in focus towards intangible assets and increased board scrutiny accounts for increased CEO involvement in talent management.

Oct/Nov 2006

10. In the context of CEO-led talent management, what percentage of internal promotions does the Co-operative Group set as a clear target candidate pool?
(A) 30%
(B) 50%
(C) 70%
(D) 80%

May/June 2007

11. There are several benefits that may accrue from an HR Audit. These include all of the following EXCEPT:
(A) Bringing greater uniformity in various HR policies and practices.
(B) Ensuring timely compliance with all essential legal requirements.
(C) Improvement of the professional image of the entire HR department.
(D) Complete elimination of the Human Resource Information System.

Oct/Nov 2020

12. How is a "Job family" defined in the framework of human resource management?
(A) A hierarchical chain of command organised strictly along functional lines to execute the strategic direction of the firm.
(B) A specialized category reserved for core areas like Law where internal talents are not typically groomed or developed.
(C) A group of roles with similar work nature and skill sets, despite varying levels of responsibility or specialization.
(D) An ad hoc development activity and succession plan implicitly linked to corporate goals and financial performance metrics.

May/June 2025

13. Which of the following statements correctly describes the development of an executive team's "team memory"?
(A) It is based on past successes and

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and responsibility across all jobs within the family.

III. It can produce a common language that allows discussion on career management, helping inter-departmental moves.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2006

52. Consider the following steps of the Succession Planning Process:

I. Develop and Implement Succession and Knowledge Transfer Plans
II. Identify Capabilities for Key Areas and Positions
III. Evaluate Effectiveness
IV. Identify Key Areas and Positions
V. Identify Interested Employees and Assess Them Against Capabilities

Which of the following represents the correct chronological order?

(A) IV, V, II, I, III
(B) IV, II, V, I, III
(C) II, IV, V, III, I
(D) V, IV, II, I, III

May/June 2007

53. Match the stages of Executive Team development in List I with their characteristics in List II and select the correct answer using the codes given below:

List I: (Development Stages)

P. First Stage
Q. Adolescence
R. High Cohesiveness
S. External Adaptation

List II: (Characteristics)

1. Team learns new techniques to respond appropriately to changes like competitors' innovations.
2. Low cohesiveness, high uncertainty, maximum learning by team members.
3. Positive feedback loop where success increases cohesiveness and effectiveness.
4. Team memory fully defines each member's role and knowledge of the outside world.

(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-2, Q-3, R-4, S-1
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2020

54. Consider the following statements regarding Line Management:

I. Line management is a hierarchical chain of command from executive to front-line level where employees report to multiple supervisors simultaneously.
II. The lowest managerial level in an organisation following a line management structure is supervisory management.

Which of the statements is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2025

55. Which of the following pairs correctly matches a CEO role with its functional focus?

(A) Resource Allocator – Scheduling own time and designing organisation structure.
(B) Entrepreneur – Developing high-status contacts outside the firm.
(C) Figurehead – Deciding who will get what in the firm based on priorities.
(D) Liaison – Taking responsibility for bringing about change and new ideas.

Oct/Nov 2011

56. What is the most appropriate reason banks should have a hybrid model of succession and talent management rather than relying solely on the 'Job Family' concept?

(A) Internal grooming may not work for specialized areas like Law and Taxation, which require distinct policies.
(B) Because 'Job Family' concepts are strictly illegal under current industry-level compensation agreements.
(C) Because mainstream officers are entirely incapable of participating in any succession planning pipelines.
(D) Because the HR Audit mandates that 'Job Families' can only be applied to supervisory management levels.

May/June 2005

57. Consider the following statements regarding the roles of a CEO:

I. As a negotiator, the CEO's presence is

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Oct/Nov 2007

20. What is the fundamental purpose of analysing the results during an HR Audit?
(A) To identify organizational strengths and opportunities for improvement to take positive action steps.
(B) To generate a descriptive statement in the present tense regarding every essential administrative procedure.
(C) To immediately replace the existing HR leadership if various legal compliance standards are not strictly met.
(D) To ensure that the company uses external headhunters to find about 80% of its high-level executive staff.

May/June 2020

21. The concept of 'Job Family' in the Banking Industry can be introduced in various business or administrative areas. The illustrative list includes all of the following EXCEPT:
(A) Wealth Management
(B) Agri Finance/Credit
(C) Board of Directors Agenda Planning
(D) Information Technology & Data Analytics

Oct/Nov 2019

22. In classical management theory regarding the executive's job, which four words were used to outline management objectives?
(A) Plans, hires, trains, and monitors.
(B) Plans, organises, coordinates, and controls.
(C) Directs, manages, evaluates, and rewards.
(D) Leads, liaises, assesses, and allocates.

May/June 2009

23. When a CEO carries out a variety of social, legal, and ceremonial duties required by the status of the office, which specific role is being fulfilled?
(A) Liaison
(B) Negotiator
(C) Monitor
(D) Figurehead

Oct/Nov 2014

24. Which of the following is incorrect regarding the evaluation phase (Step 5) of the Succession Planning Process?
(A) It evaluates whether succession plans for all key departmental areas and positions are fully developed.
(B) It monitors whether members of designated groups are adequately represented in various feeder groups.
(C) It determines whether key positions are filled quickly through the existing human resource pipeline.
(D) It mandates that succession planning be abandoned if internal candidates are not immediately ready.

NODIA

May/June 2010

25. Which of the following statements correctly identifies a difference between Talent Management and HR?
(A) Talent management centralizes hiring and training functions exclusively within the human resources department.
(B) Talent management focuses primarily on developing and improving the top talent within the organisation.
(C) Talent management is highly tactical, dealing primarily with employee vacation days and internal complaints.
(D) HR is inherently more strategic and often manifests as a company-wide, long-term operational plan.

Oct/Nov 2025

26. What is the formal definition of "Succession planning" in a business context?
(A) A structural combination of job families, job functions, and job levels within which positions are placed.
(B) A transition period orchestration where the incoming executive produces an organisation assessment within the first 60-90 days.
(C) A systematic assessment of current human resource knowledge and skills required of HR practitioners.
(D) A process for identifying and developing new leaders who can replace old leaders when they leave, retire, or die.

May/June 2017

27. All of the following are general duties and responsibilities of the CEO EXCEPT:
(A) To determine industry-level compensation agreements for all functional job families.
(B) To develop various Board agendas in consultation with the Chairman of the Board of Directors.
(C) To assess the principal risks of the company and ensure they are monitored periodically

communication, defining member roles and team operations.
(B) It is formed instantly during the first few months of the team's life when team cohesiveness is low.
(C) It causes the members to remain strongly immersed in their external environments rather than the team.
(D) It prevents the highly cohesive team from learning new techniques when the outside world changes quickly.

Oct/Nov 2011

14. During the adolescence stage of an executive team, what creates a positive feedback loop?
(A) High levels of uncertainty and anxiety about whether or not the team will succeed.
(B) The team defining each member's role based on a fully developed team memory.
(C) Success increasing cohesiveness, which in turn increases effectiveness, generating more success.
(D) The immediate replacement of the team leader through accelerated managerial succession planning.

May/June 2005

15. Talent management differs from traditional HR in several key ways. All of the following are valid distinctions EXCEPT:
(A) Talent management is more strategic in nature, while traditional HR is often more tactical.
(B) Talent management federates duties to front-line managers, while HR centralized hiring and training.
(C) Talent management focuses on the professional development of top talent, while HR is administrative-focused.
(D) Talent management is exclusively concerned with tracking employee attendance and vacation days.

Oct/Nov 2022

16. How is "Talent management" explicitly defined in the context of organisational development?
(A) The process by which an organisation identifies, manages, and develops its people now and for the future.
(B) A hierarchical chain of command from executive to front-line level where top management has total and direct authority.
(C) A quality control check on administrative activities to evaluate how these activities support business unit structures.
(D) The continuous cycle of defining desired HR practices, assessing current practices, and analyzing results.

May/June 2018

17. Which of the following statements about the characteristics of a 'Job Family' framework is incorrect?
(A) Job families inhibit career progression by preventing employees from moving across job functions within a job family.
(B) Job families group jobs by the nature of the work, rather than by the job title or organisational hierarchy.
(C) All the roles in a particular Job Family will have similar characteristics or traits, such as the same level of knowledge and skills for each level.
(D) The Job Family concept ensures that each job differentiates from other jobs or roles outside the Job Families.

Oct/Nov 2016

18. In a study of corporate leaders, what percentage of their working time did a significant portion of the interviewed executives estimate they spend on talent management?
(A) 30-50%
(B) 5-15%
(C) 20%
(D) 60-80%

May/June 2016

19. Which of the following statements correctly reflects the application of the 'Job Family' concept in banks regarding compensation?
(A) Compensation packages vary significantly within the same job family based on individual negotiation and tenure.
(B) The concept is utilized primarily to establish different compensation structures across all functional groups.
(C) Job families allow banks to offer lower compensation to specialist categories compared to mainstream officers.
(D) Compensation is governed by uniform industry agreements, equal to the cadre or scale where the individual is placed.

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May/June 2008

35. Match the Steps of Succession Planning in List I with their required actions in List II and select the correct answer using the codes given below:

List I: (Succession Steps)

P. Step 1: Identify Key Areas
Q. Step 3: Assess Employees
R. Step 4: Knowledge Transfer
S. Step 5: Evaluate Effectiveness

List II: (Required Actions)

1. Discuss career plans and interests with employees.
2. Link employees' learning plans to required knowledge, skills, and abilities.
3. Identify which positions, if left vacant, would be detrimental to goals.
4. Ensure new employees in key positions perform effectively.

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2013

36. Consider the following statements about planning for succession transitions:

I. How outgoing executives are treated and how they respond to transition events can have a lasting impact internally.
II. Coaching, rehearsals, and visioning are usually helpful for both the incoming and outgoing executives.
III. Group orientation sessions are an inefficient means of sharing information and should be avoided.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2015

37. What is the most appropriate primary vehicle for initial strategic discussions between an incoming CEO and the board?

(A) An assessment and action plan produced within 3-6 months depending on size and complexity.
(B) A communication plan for the first 60-90 days published exclusively for various front-line employees.
(C) A series of orientation sessions designed solely to break the ice through organizational informality.
(D) The immediate termination of all existing executive team members to establish new authority levels.

NODIA

Oct/Nov 2012

38. Match the elements of the HR Audit Process in List I with their descriptive examples in List II and select the correct answer using the codes given below:

List I: (Audit Elements)

P. Defining Audit Statements
Q. Assessing Current Practices
R. Analyse the Results
S. Establish Improvement Goals

List II: (Descriptive Examples)

1. Using output from employee surveys and reviewing HRIS data.
2. Writing "Performance appraisals are completed for each employee" in present tense.
3. Deciding which one or two areas will provide the greatest overall improvement.
4. Formulating a picture of overall HR performance and recognizing themes around specific areas.

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-2, Q-4, R-1, S-3
(D) P-4, Q-3, R-2, S-1

May/June 2011

39. Consider the following statements regarding executive talent management research trends:

I. Some corporate leaders believe that talent management is primarily the responsibility of the HR department alone.
II. CEOs spend a large amount of their time on talent management, but this effort is not typically guided by a formal talent strategy explicitly linked to overarching goals.

Which of the statements is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2010

40. Match the general duties of the CEO in List I with their context in List II and select the correct answer using the codes given below:

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

63. Consider the following statements regarding Step 4 of the Succession Planning Process (Develop and Implement Succession and Knowledge Transfer Plans):
I. It incorporates strategies for learning, training, and development.
II. It involves defining experiences required for leadership positions.
III. It explicitly links employees' learning plans to the knowledge and skills required for current and future roles.
IV. It involves discussing with employees how they can pass on their corporate knowledge.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2019

64. As CEO, Mr. Sharma must ensure that all expenditures of Alpha Manufacturing are managed properly. According to general CEO duties, these expenditures must remain within what bounds?
(A) Within the arbitrary limits set daily by line managers.
(B) Within the financial limits of the nearest competitor.
(C) Within the authorized annual budget of the company.
(D) Within the discretionary limits set solely by the HR department.

May/June 2009

65. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): Talent management is fundamentally different from traditional administrative-focused HR.
Reason (R): Talent management duties are frequently federated to the front-line managers actually leading the employees, ensuring the whole organisation has a stake in these activities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

66. Ms. Iyer points out a high-performing senior manager who achieves great financial results but exhibits toxic behavior that damages the organisational culture. How should Mr. Gupta view this based on talent management principles?
(A) Promotion should consider performance and behavior; damaging the organisation is not acceptable.
(B) Results justify the means, so the manager should be promoted immediately without any delay.
(C) It is acceptable as long as the manager operates within the authorized annual budget limits.
(D) The CEO should delegate this issue completely back to the HR department as an admin complaint.

May/June 2010

67. Consider the following statements regarding the general duties and responsibilities of a CEO:
I. To lead, in conjunction with the Board, the development of the company's strategy.
II. To ensure that the company maintains high standards of corporate citizenship and social responsibility.
III. To dictate the exact date and location of the annual shareholder meeting without consulting the Chairman.
IV. To sit on committees of the Board where appropriate as determined by the Board.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

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(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2009

46. Which of the following best represents the foundational mindset and assumption of talent management?
(A) Potential is limited only to those currently holding executive titles, and development is restricted.
(B) There is potential in everyone, and the approach should release it while retaining key personnel.
(C) Employees should be evaluated solely on financial results, regardless of the impact on the culture.
(D) Talent management must remain centralized within the HR department to ensure strict policy compliance.

May/June 2021

47. Consider the following statements regarding succession planning in proprietary concerns:
I. A high percentage of major businesses worldwide in the developed world are family-owned and managed.
II. The Aditya Birla group in India is an example where a new Chairman brought in professional managers to take charge, revamping the old guard.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2015

48. Match the CEO roles in List I with their corresponding descriptions in List II and select the correct answer using the codes given below:
List I: (CEO Roles)
P. Figurehead
Q. Leader
R. Monitor
S. Negotiator
List II: (Descriptions)
1. Develops human organisation; hires, trains, and motivates subordinates.
2. Continually seeks and receives information to understand the environment thoroughly.
3. Takes charge whenever the firm enters into crucial talks with other parties; requires real-time decisions.
4. Acts as a symbol carrying out social, legal, and ceremonial duties.
(A) P-4, Q-1, R-3, S-2
(B) P-4, Q-1, R-2, S-3
(C) P-1, Q-4, R-2, S-3
(D) P-2, Q-3, R-4, S-1

May/June 2012

49. Which of the following pairs regarding examples of improved HR measures using the Audit process is INCORRECTLY matched?
(A) Employee turnover rate – Increased to promote fresh hiring constantly.
(B) Administrative requests – Reduction in response time.
(C) Open positions – Reduction in the time taken for filling them.
(D) Total Compensation Philosophy – Development and sharing across the organisation.

Oct/Nov 2024

50. Match the Functional areas in Banks in List I that can utilize the Job Family concept with their counterparts in List II and select the correct answer using the codes given below:
List I: (Functional Areas)
P. Risk Management
Q. Information Technology
R. Treasury
S. Marketing & Sales
List II: (Counterparts)
1. Forex Management
2. Data Analytics
3. Customer Relationship Management (CRM)
4. Wealth Management mapping (related core matrix)
(A) P-4, Q-2, R-1, S-3
(B) P-2, Q-4, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-4, Q-1, R-2, S-3

May/June 2019

51. Consider the following statements regarding the 'Job Family' concept:
I. It is a grouping of roles that have a similar nature of work and utilize a similar skill set.
II. It requires identical levels of skill, effort,

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List I: (General Duties)
P. Strategy Development
Q. Internal Controls
R. Board Liaison
S. Public Disclosure
List II: (Context)
1. Ensure the integrity of all such communications by the company.
2. Lead in conjunction with the Board to develop company direction.
3. Ensure effective management information systems are in place.
4. Request that special meetings be called when appropriate.
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-2, Q-4, R-3, S-1
(D) P-4, Q-1, R-2, S-3

May/June 2022

41. There are several benefits that may accrue from an HR Audit. These include all of the following EXCEPT:
I. It encourages greater responsibility and professionalism among members of the HR function.
II. It helps in the reduction of HR costs through more effective personnel procedures.
III. It ensures timely compliance with legal requirements.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2023

42. What is the most appropriate characteristic of statements written to define desired HR practices during the HR Audit process?
(A) They are stated as theoretical questions aimed at the Board of Directors and senior executives.
(B) They are stated in the past tense and focus exclusively on the previous history of regulatory failures.
(C) They are stated in the present tense and in a positive manner to describe the desired performance level.
(D) They are stated as negative constraints detailing what the HR department is strictly prohibited from doing.

May/June 2023

43. Which of the following pairs correctly matches an element of Talent Management with its description?
(A) Mentoring – Strictly formalized and never conducted informally by CEOs.
(B) Assessment centres – Used to determine capability gaps.
(C) Performance evaluations – Only utilized to evaluate financial results, completely ignoring behaviour.
(D) Psychological testing – Used exclusively for terminating front-line staff.

Oct/Nov 2018

44. Match the Managerial Succession Planning activities in List I with their broad category in List II and select the correct answer using the codes given below:
List I: (Activities)
P. Analysis of demand
Q. Audit of existing executives
R. Individual career path planning
S. Strategic recruitment
List II: (Categories)
1. Projecting future likely supply from internal sources.
2. Formulating written development directions for individuals.
3. Filling in gaps at top positions from outside if necessary.
4. Assessing the need for managers and professionals.
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-4, S-2

May/June 2014

45. Consider the following statements regarding talent management research findings:
I. A portion of executives interviewed spend at least 30 per cent of their time on talent management.
II. While executives believe strong talent management leads to improved financial performance, they do not measure RoI explicitly.
III. Few firms use formal assessments to determine leaders' readiness for future jobs or support promotion decisions.
Which of the above statement(s) is/are correct?

NODIA

required because they have the information and authority to make real-time decisions.
II. In the liaison role, the manager deals exclusively with internal subordinates to train and motivate them.
III. The chief executive must serve as the key link between the organisation and its environment.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2022

58. Match the Talent Management concepts in List I with their distinctions from traditional HR in List II and select the correct answer using the codes given below:
List I: (Concepts)
P. Structural Approach
Q. Primary Focus
R. Strategic Nature
S. Responsibility
List II: (Distinctions)
1. Manifests as a company-wide long-term plan linked to business goals.
2. Federated to front-line managers rather than centralized.
3. The whole organisation has a stake, not just a single department.
4. Singularly focused on helping and improving top talent vs tracking attendance.

(A) P-1, Q-3, R-2, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2018

59. Consider the following statements:
I. The position of Managing Director (MD) is sometimes attached to the CEO, giving the executive an administration function and a direct reporting line to the Board.
II. In businesses without a board of directors, the CEO position sets the direction and oversees the operations.

Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2016

60. Match the Job Family characteristics in List I with their descriptions in List II and select the correct answer using the codes given below:
List I: (Characteristics)
P. Number of Job Families
Q. Career progression
R. Trait similarity
S. Improves creativity
List II: (Descriptions)
1. Enhances an employee's ability to move across job functions within a family.
2. Generally ranges between 15-20 depending on the business nature.
3. Builds a healthy talent pipeline by allowing continuous work in related sub-jobs.
4. Ensures similar levels of knowledge, skills, and competencies for each career level.

(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-1, R-4, S-3
(C) P-2, Q-4, R-1, S-3
(D) P-3, Q-1, R-2, S-4

May/June 2016

61. Consider the following elements of CEO-led Talent Management:
I. Performance evaluations to identify potential.
II. Psychological testing to determine capability gaps.
III. Assessment centres to accelerate development.
IV. Relocations and project work.
V. Training and development programmes.

Which of the above statement(s) is/are correct?
(A) I, II, IV, and V only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

Oct/Nov 2007

62. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): The HR Audit takes on a systems approach because it is comprehensive and inclusive of traditional HR practices.
Reason (R): The HR Audit's primary objective is to evaluate the company's financial profit margins rather than the capabilities of the HR department.

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and effectively.
(D) To act as a formal liaison between the senior management team and the company's Board.

Oct/Nov 2005

28. Within the 'Job Family' framework, organisations generally employ a maximum of how many job families?
(A) 15-20
(B) 5-10
(C) 25-30
(D) 35-40

May/June 2013

29. Which of the following statements regarding the roles of a CEO is incorrect?
(A) In the liaison role, the CEO develops high-status contacts and maintains prime links with outsiders.
(B) As a resource allocator, the CEO designs the organisation structure, in effect deciding who will do what.
(C) In the entrepreneur role, the CEO delegates all responsibility for bringing about change and new ideas strictly to line managers.
(D) As a monitor, the CEO continually seeks and receives information about the organisation to understand the environment thoroughly.

Oct/Nov 2021

30. If job families are not linked to business unit structures in an organisation, what type of integration do they conceptually provide?
(A) Vertical integration
(B) Hierarchical integration
(C) Divisional integration
(D) Horizontal integration

May/June 2024

31. Consider the following main steps of an HR Audit:
I. Analyze the results
II. Establish improvement goals and take action
III. Define desired HR practices for the organisation
IV. Assess current practices against the criterion that has been established
Which of the following represents the correct chronological order?
(A) III, IV, I, II
(B) IV, III, I, II
(C) III, I, IV, II
(D) I, III, IV, II

NODIA

Oct/Nov 2008

32. Which of the following pairs regarding CEO succession transitions is INCORRECTLY matched?
(A) Communications plan – Published for the first 60-90 days to set expectations.
(B) Organisation assessment – Produced by outgoing executive in their final 2 weeks.
(C) Orientation sessions – Means of sharing information and breaking the ice.
(D) Tailored transitions – Adapted to the distinctive culture, structure, and priorities of the organisation.

May/June 2006

33. Which of the following best describes the condition of an executive team during its first stage of activity?
(A) The team memory defines each member's role and the team performs like an experienced adult entity.
(B) Cohesiveness and effectiveness are low, yet it is a time of maximum learning and sensitivity.
(C) The team's cohesiveness is high, and members are fully committed to the team rather than environments.
(D) The team experiences a positive feedback loop where success increases cohesiveness without any uncertainty.

Oct/Nov 2017

34. Consider the following statements about Job Families in the banking industry:
I. Banks predominantly use the Job Family concept to establish vastly different compensation structures for individuals in the same cadre/scale.
II. Job families provide a simple and efficient means for matching individual roles to levels or grades, helping to articulate career and development routes.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2025

68. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): Employees at all levels need to be prepared for the inquisitiveness of a new executive during a CEO transition.
Reason (R): Designing and orchestrating a series of group orientation sessions can be an efficient means of sharing information, breaking the ice, and creating the right mix of formality and informality.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

69. When Mr. Sharma determines how capital is allocated among different factory units, which specific CEO role is he performing?
(A) Resource Allocator
(B) Figurehead
(C) Liaison
(D) Monitor

Oct/Nov 2005

70. Consider the following business or administrative areas where 'Job Family' can be introduced in Banks:
I. Risk Management
II. Wealth Management
III. Agri Finance/Credit
IV. Developmental HRM
V. Treasury & Forex Management
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2013

71. To support key placement decisions for these senior managers in the future, BetaTech could utilize which of the following formal methods?
(A) Formal assessments to determine leaders' readiness for future jobs.
(B) Tracking vacation days and benefits usage for administrative records.
(C) Creating a solely horizontal integration system without business units.
(D) Solely relying on informal off-site retreats without documenting any work.

Oct/Nov 2021

72. Consider the following statements regarding the objectives of an HR Audit:
I. To clarify desired practices of HR work and roles within the organisation.
II. To evaluate current effectiveness and establish a baseline for future improvement.
III. To standardize practices across multiple sites within a division or company.
IV. To improve performance levels for key customers within the organisation.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

May/June 2024

73. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): Grooming internal talents strictly through the generic 'Job Family' concept yields desired results for all specialised areas, eliminating the need for Specialist categories.
Reason (R): Core specialised areas like Law and Taxation require officers to have a distinct career policy, necessitating a hybrid model of succession and talent management.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

74. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): The Co-operative Group sets

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clear targets to generate 70% of promotions from internal candidates.
Reason (R): Most executives appear to have a highly strategic approach to talent management with the exact same rigour as other business planning processes.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

75. Mr. Gupta's spending 30% of his time on talent management. In studies involving interviews with corporate leaders, this level of time commitment is:
(A) Extremely rare, as no interviewed CEOs reported spending more than 5-15% of their time on it.
(B) Counterproductive because it explicitly hurts financial performance by ignoring various metrics.
(C) Only appropriate for companies generating less than US$ 1bn in annual revenue per year.
(D) A substantial percentage that aligns with executives who estimate commitment at 30-50%.

Oct/Nov 2017

76. Consider the following statements distinguishing Talent Management from traditional HR:
I. Talent management duties are often federated to front-line managers.
II. HR is more administrative-focused, dealing with pay and benefits.
III. Talent management is focused on helping and improving the top talent.
IV. HR is inherently more strategic and directly linked to overarching business goals than talent management.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2008

77. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): In the first few months of an executive team's life, its cohesiveness and effectiveness are high.
Reason (R): Team members are barely committed to the team and are still strongly immersed in their external environments.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

78. Consider the following activities involved in typical managerial succession planning:
I. Analysis of demand for managers and professionals.
II. Career counseling.
III. Accelerated promotions.
IV. Periodical evaluation of performance of the incumbent.
V. Strategic recruitment for filling in gaps at top positions.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

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May/June 2015

79. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): The ideal time to complete an HR audit is just prior to the annual planning process.
Reason (R): The audit information in hand can be used to advantage when setting next year's goals for maintenance of current good practices and development of improved practices.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

80. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): A solid succession plan is highly important for major businesses in the developed world.
Reason (R): A high percentage of major businesses worldwide in the developed world are family-owned and managed, and owners may die, become disabled, or retire.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

81. Mr. Gupta's initiative to personally mentor a half-dozen senior managers reflects which finding about CEO-led talent management?
(A) Formal mentoring is strictly the domain of external headhunters and specialized firms.
(B) Mentoring replaces the need for any formal performance evaluations for senior management.
(C) CEOs regard the development of future leaders as one of the best ways of leaving a legacy.
(D) Mentoring is an administrative task that should be federated to front-line supervisors only.

Oct/Nov 2010

82. Consider the following duties of a CEO:
I. Ensure effective internal controls and MIS are in place.
II. Ensure the company conducts activities lawfully and ethically.
III. Communicate effectively with shareholders and Government authorities.
IV. Request special meetings of the Board when appropriate.
V. Ensure expenditures are within the authorized annual budget.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2022

83. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): The chief executive must serve as the key link between the organisation and its environment.
Reason (R): In the liaison role, the manager develops high-status contacts, and in the spokesman and negotiator roles, deals with the firm's public.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

84. When Mr. Sharma personally takes charge of the upcoming tough union negotiation, why is his presence structurally required?
(A) Because he must act as a symbol to carry out various ceremonial and social duties.
(B) Because line managers are legally barred from speaking to various union representatives.
(C) Because he has the information and authority to make the real-time decisions needed.
(D) Because the HR department federates this duty to him based on structural guidelines.

May/June 2023

85. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): In banks, the Job Family concept is heavily used to establish different compensation

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8. (B) To ensure that expenditures of the company are within the authorized annual budget of the company.
A primary responsibility of a chief executive officer involves maintaining the financial health and integrity of the organization. This includes overseeing all company expenditures to ensure they remain within the authorized annual budget limits. By monitoring financial performance and resource allocation, the CEO protects the company's assets and ensures that operational activities align with the approved fiscal framework.

9. (B) Good talent management promotes people based only on their performance, regardless of the manner in which they have achieved results.
Effective CEO-led talent management prioritizes both results and the methods used to achieve them. While financial performance is vital, promoting individuals solely based on results without considering their behavior can be detrimental to organizational culture. Modern leadership recognizes that toxic behavior undermines long-term success, necessitating an evaluation process that balances measurable performance with positive professional conduct and cultural alignment.

10. (C) 70%
Certain organizations establish specific, measurable targets to enhance their internal talent pipelines and leadership continuity. For instance, the Co-operative Group has implemented a clear strategic goal for its talent management initiatives. This target aims to generate 70 percent of all promotions from a pool of internal candidates, emphasizing the importance of grooming and developing existing staff for leadership roles.

11. (D) Complete elimination of the Human Resource Information System.
Conducting a human resource audit provides numerous organizational advantages, such as ensuring legal compliance and improving the HR department's professional image. It also fosters greater uniformity in policies and cost reductions through improved procedures. However, the process is designed to enhance rather than eliminate critical infrastructure, so removing the Human Resource Information System would be counterproductive to modern management.

12. (C) A group of roles with similar work nature and skill sets, despite varying levels of responsibility or specialization.
Within the framework of modern human resource management, a job family is defined as a collection of roles characterized by a similar nature of work and skill requirements. Even if positions vary in their specific level of responsibility or specialization, they are grouped together based on shared core competencies. This structure helps organizations define clear career paths and developmental routes.

13. (A) It is based on past successes and communication, defining member roles and team operations.
As an executive team matures, it develops a shared "team memory" based on past collective successes and ongoing communication. This cumulative knowledge base defines the roles of individual members and standardizes how the team operates. It enables the group to perform like an experienced entity, utilizing previously learned techniques to handle various organizational challenges and streamlining future collaborative decision-making processes.

14. (C) Success increasing cohesiveness, which in turn increases effectiveness, generating more success.
During the adolescence stage of an executive team, a powerful positive feedback loop often emerges. As the team experiences initial successes, cohesiveness among members increases. This enhanced unity leads to greater collective effectiveness, which in turn generates further success for the organization. This cycle helps the team move past initial uncertainties and reinforces their ability to work as a unified entity.

15. (D) Talent management is exclusively concerned with tracking employee attendance and vacation days.
Talent management is distinguished from traditional human resource management by its strategic focus and the federation of duties to front-line managers. While traditional HR often handles administrative tasks like payroll

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May/June 2012

91. Why did DeltaBank recognize the need to retain a hybrid model specifically for its legal team rather than forcing them into generic Job Families?

(A) Because the legal team is responsible for corporate citizenship and social responsibility.
(B) Generic Job Families do not substitute for Specialist categories in areas like Law.
(C) Because the legal team operates outside the authorized annual budget of the entire company.
(D) Because Job Families in banking can only be applied to Marketing & Sales departments.

Oct/Nov 2024

92. After achieving success, the executive team developed a "team memory." What does this team memory enable the team to do?

(A) Forget past successes and focus solely on future uncertainty within the organization.
(B) Avoid responding appropriately to new technologies or changes in the external market.
(C) Perform like an experienced adult, able to handle challenges in previously learned ways.
(D) Report to multiple supervisors outside the established line management structure.

May/June 2019

93. During the first three months of the GammaFinance executive team, which of the following correctly describes their state?

(A) They operated flawlessly with a fully developed team memory handling challenges in learned ways.
(B) They immediately experienced a positive feedback loop of continuous success and cohesiveness.
(C) They required a newly integrated job family model to compensate for lack of strategic recruitment.
(D) Members were barely committed and were strongly immersed in their external environments.

Oct/Nov 2006

94. When DeltaBank's audit team wrote their desired HR practice statements, they used a positive, present-tense format. Which of the following is an example of such a statement?

(A) Performance appraisals were poorly completed last year during the review cycle.
(B) The HR department must not ignore employee surveys when making strategic decisions.
(C) New employees complete an orientation of key company policies within the first 30 days.
(D) Will there be an issue resolution process understood by employees within the bank?

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May/June 2007

95. In Step 2 of the succession planning process, GammaFinance needs to determine the capabilities required to replace the team leader. Which action is appropriate here?

(A) Inform employees about key areas and positions and required capabilities.
(B) Define the training experiences that the organisation requires.
(C) Evaluate whether succession plans for all key areas are developed.
(D) Ensure that a sufficient number of bilingual candidates are in feeder groups.

Oct/Nov 2020

96. The success of launching the beta app in the eighth month caused an increase in team members' enthusiasm. This creates a positive feedback loop where:

(A) Cohesiveness decreases anxiety, leading to a reversion back to external environments.
(B) Success increases cohesiveness, which increases effectiveness, generating more success.
(C) Effectiveness increases administrative burdens, which lowers overall organizational success.
(D) The team no longer needs to learn new techniques to respond to competitor innovations.

May/June 2025

97. During the HR Audit, DeltaBank's audit team looks for evidence to support or refute the statements they made about desired practices. Which step of the HR Audit process does this represent?

(A) Step 2: Assess current practices against the criterion that has been established.

(B) Step 1: Define desired HR practices for the organisation and its various units.
(C) Step 3: Analyze the results obtained from the initial evaluation phase of the audit.
(D) Step 4: Establish improvement goals and take positive action steps for the company.

Oct/Nov 2011

98. By implementing the 'Job Family' framework in Risk Management and IT, DeltaBank relies on which core characteristic of Job Families?
(A) Creating a strict hierarchical chain of command where employees report to multiple supervisors.
(B) Grouping jobs with similar traits, so roles have similar knowledge and skill levels.
(C) Establishing drastically different compensation packages for individuals in the same cadre.
(D) Forcing employees to remain in one specific sub-job for their entire career to stop creativity.

May/June 2005

99. Faced with the team leader's sudden departure, GammaFinance initiates Step 1 of the Succession Planning Process. What must they do in this step?
(A) Use the Key Leadership Competencies profile to set performance expectations for all staff.
(B) Discuss career plans and interests directly with junior employees within the department.
(C) Link employees' learning plans to the abilities required for current roles and tasks.
(D) Identify which positions, if left vacant, would make it difficult to achieve business goals.

Oct/Nov 2022

100. After analysing the results, DeltaBank moves to establish improvement goals. According to management principles, setting these goals involves which two aspects?
(A) Elimination of current practices and outsourcing all development to external firms.
(B) Increasing employee turnover rate and maximizing response times for administrative tasks.
(C) Replacing the CEO and dismantling the Job Family framework immediately for the firm.
(D) Maintenance of current good practices and development of improved practices.

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ANSWERS

1. (A) 15 per cent
Family business sustainability across generations is statistically challenging. Research on North American family-owned enterprises indicates a significant decline in continuity over time. Only a small fraction, approximately 15 percent, successfully transition to the third generation with family members still at the helm. This highlights the critical need for robust succession planning to ensure long-term organizational viability.

2. (C) It identifies the relevant knowledge, skills, abilities, and competencies needed to achieve business goals.
Identifying capabilities for key areas and positions represents a crucial phase in establishing leadership continuity. This step focuses on determining the specific knowledge, skills, abilities, and competencies required for success in critical roles. By defining these requirements, organizations can align their talent development efforts with overarching business goals, ensuring that potential successors possess the necessary attributes to lead effectively.

3. (C) A hierarchical chain of command where management has direct authority and employees report to only one supervisor.
Line management is a fundamental organizational structure characterized by a clear, hierarchical chain of command. In this model, managers possess direct authority over subordinates, and each employee typically reports to only one supervisor. This arrangement ensures accountability and streamlined decision-making within the direct operational flow of the business, facilitating the execution of core strategic and tactical organizational objectives.

4. (C) The ideal time to complete an audit is immediately after the annual planning process has concluded.
The human resource audit serves as a comprehensive quality control mechanism for evaluating organizational practices. While assessing current activities and defining desired standards are key components, timing is essential for maximizing the audit's utility. Contrary to the idea of completing it after planning, the most effective time is just prior to the annual planning process to inform future organizational goals.

5. (B) HR is tactical and deals with day-to-day management, while talent management is strategic and linked to business goals.
Talent management represents a more strategic approach to human resources compared to traditional methods. While conventional HR management often focuses on tactical, day-to-day administrative tasks, talent management is inherently linked to long-term business goals. It emphasizes the development of high-potential individuals and ensures that human capital strategies are integrated into the broader operational plans of the entire organization.

6. (B) Outsource all leadership recruitment to external headhunters.
The standard succession planning process involves five distinct internal steps aimed at identifying and developing future leaders. These include identifying key positions, determining necessary capabilities, assessing employee potential, and implementing knowledge transfer plans. Outsourcing all leadership recruitment to external parties contradicts the core objective of cultivating internal talent pipelines and ensuring the organization remains resilient during leadership transitions.

7. (B) The singular position responsible for implementing strategic plans and policies established by the Board.
In organizations governed by a Board of Directors, the chief executive officer occupies a singular, high-level position. This role is primarily responsible for the execution of strategic plans and the implementation of policies established by the board. As the bridge between the board and operational management, the CEO ensures that the organization moves toward its long-term objectives effectively.

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contexts. This role is essential for maintaining the organization's external image and fulfilling institutional requirements.

24. (D) It mandates that succession planning be abandoned if internal candidates are not immediately ready.
Step 5 of the succession planning process focuses on evaluating the effectiveness of leadership continuity efforts. This involves monitoring the development of plans across departments, ensuring diverse representation in feeder groups, and checking if key positions are filled efficiently. Mandating that the process be abandoned if internal candidates are not immediately ready is incorrect, as the goal is long-term talent development and improvement.

25. (B) Talent management focuses primarily on developing and improving the top talent within the organisation.
One of the primary differences between talent management and traditional human resource management is the focus on high-potential individuals. Talent management is specifically designed to identify, develop, and improve the top talent within an organization to ensure a strong future leadership pipeline. Unlike broad HR functions that handle all employees' administrative needs, talent management prioritizes strategic investments in those with significant potential.

26. (D) A process for identifying and developing new leaders who can replace old leaders when they leave, retire, or die.
Succession planning is formally defined as a systematic process for identifying and developing potential new leaders who can replace existing leaders when they leave, retire, or pass away. This strategic activity ensures organizational stability and continuity by creating a pool of qualified candidates ready to step into critical roles, thereby minimizing disruptions during transitions and maintaining the company's long-term operational effectiveness.

27. (A) To determine industry-level compensation agreements for all functional job families.
The chief executive officer holds numerous strategic and operational responsibilities, such as assessing principal risks, developing board agendas, and acting as a liaison between management and the board. However, determining industry-level compensation agreements for all functional job families is typically the result of collective bargaining or industry-wide negotiations involving multiple organizations and unions, rather than a duty of a single CEO.

28. (A) 15-20
When implementing a job family framework, organizations aim for a balance between detail and simplicity. Typically, the number of job families employed by a company ranges between 15 and 20, depending on the nature and complexity of the business. This range allows for meaningful grouping of roles with similar characteristics without creating an overly complex administrative system that would be difficult to maintain.

29. (C) In the entrepreneur role, the CEO delegates all responsibility for bringing about change and new ideas strictly to line managers.
In the entrepreneur role, a chief executive officer is personally responsible for identifying opportunities and initiating organizational change. While they may delegate specific tasks, the fundamental duty of bringing about new ideas and overseeing significant shifts in direction belongs to the CEO. Claiming that they delegate all responsibility for change strictly to line managers incorrectly describes this proactive and strategic leadership function.

30. (D) Horizontal integration
When job families are not explicitly linked to specific business unit structures, they provide a form of horizontal integration within the organization. This conceptual approach groups diverse jobs with similar characteristics across different functional department boundaries. It facilitates cross-departmental discussion and career management by establishing a common language and framework for understanding roles and competencies throughout the entire organizational hierarchy.

31. (A) III, IV, I, II
The human resource audit process follows a specific chronological sequence to ensure thorough evaluation and improvement. First, the

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and benefits, talent management emphasizes the long-term development of high-potential individuals. Being exclusively concerned with tracking attendance and vacation days is a purely administrative function, not a hallmark of talent management.

16. (A) The process by which an organisation identifies, manages, and develops its people now and for the future.
In the context of organizational development, talent management is defined as the comprehensive process of identifying, managing, and developing an organization's people for both current and future needs. It involves a systematic approach to nurturing human capital to ensure that the organization possesses the necessary skills and leadership capacity to achieve its long-term strategic goals and maintain competitive advantage.

17. (A) Job families inhibit career progression by preventing employees from moving across job functions within a job family.
The job family framework is specifically designed to enhance career progression rather than inhibit it. By grouping roles with similar work natures and skills, this model allows employees to move across different job functions within a family. It creates a common language for career management and helps articulate various development routes, ensuring that individuals can transition between related roles effectively.

18. (A) 30-50%
Research involving interviews with corporate leaders reveals that top executives place a significant emphasis on talent management. A substantial portion of the interviewed executives estimated that they dedicate between 30 and 50 percent of their working time to activities related to identifying and developing talent. This high level of commitment reflects the strategic importance placed on cultivating the next generation.

19. (D) Compensation is governed by uniform industry agreements, equal to the cadre or scale where the individual is placed.
In the banking industry, the application of the job family concept is influenced by existing industry-level agreements. Compensation packages are typically governed by a uniform approach that aligns pay with the specific cadre or scale of the individual. Consequently, while job families help define roles and career paths, the actual remuneration remains equal to the established grade or organizational level.

20. (A) To identify organizational strengths and opportunities for improvement to take positive action steps.
Analyzing the results of a human resource audit is a critical step for organizational improvement. This process identifies specific strengths and highlights areas where the company can enhance its practices. By formulating a clear picture of overall HR performance, management can take positive action steps to address opportunities for improvement, ensuring that human capital strategies effectively support the business unit structures.

21. (C) Board of Directors Agenda Planning
The job family concept is highly applicable to various functional areas within banks, including wealth management, treasury, information technology, and credit. These areas allow for grouping roles with similar skill sets and work natures. However, planning the agenda for the Board of Directors is an administrative and governance function of the corporate secretary or CEO, not a functional job family category.

22. (B) Plans, organises, coordinates, and controls.
Classical management theory, established by pioneers like Henri Fayol, identifies four fundamental words that outline management objectives. These core functions are planning, organizing, coordinating, and controlling. They represent the essential activities that executives must perform to manage an organization effectively and achieve its strategic goals. These elements remain a foundational part of modern management education and organizational leadership training programs.

23. (D) Figurehead
When a chief executive officer performs social, legal, or ceremonial duties required by the status of their office, they are fulfilling the role of a figurehead. As a symbolic representative of the organization, the CEO acts as a personification of the company in various public and formal

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structures across functional groups.
Reason (R): Bank compensation packages are governed by a uniform approach as decided at industry level agreements, making compensation equal to the cadre or scale.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

86. Consider the following statements regarding the chief characteristics of the 'Job Family' framework:
I. Organisations generally employ a maximum of 15-20 job families.
II. Job families inhibit an employee's ability to move across job functions within the organisation.
III. It ensures that each job differentiates from other roles outside the Job Families.
IV. It improves talent and creativity by allowing employees to continue working in related sub-jobs.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

May/June 2014

87. Mr. Gupta's decision to shift duties like hiring and retention to front-line managers illustrates which key difference between Talent Management and HR?
(A) Talent management is more tactical and deals with day-to-day people management activities.
(B) Talent management federates duties to managers, giving the whole organisation a stake.
(C) Talent management focuses purely on administrative tracking like attendance rather than strategy.
(D) Talent management assumes there is potential only in senior executive level officers.

Oct/Nov 2009

88. Consider the following examples of improved HR measures using the Audit Process:
I. Development and sharing of Total Compensation Philosophy.
II. Control over employee turnover rate.
III. Percentage of current employees trained.
IV. Prompt action on Employee Engagement survey results.
V. Succession/replacement planning.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2021

89. In Alpha Manufacturing, being a sole proprietorship without a board of directors, what is Mr. Sharma's primary organisational position role?
(A) To strictly execute various policies formulated by front-line organizational supervisors.
(B) To act as the position that sets direction and oversees organizational operations.
(C) To solely act as an entrepreneur without exercising any control over operational resources.
(D) To report daily to external shareholders regarding specific HR audit compliance standards.

Oct/Nov 2015

90. The following question consists of two statements: Assertion (A) and Reason (R). Select the correct answer using the options given below:
Assertion (A): In the first few months of an executive team's life, its cohesiveness and effectiveness are high.
Reason (R): Team members are barely committed to the team and are still strongly immersed in their external environments.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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organization must define desired HR practices. Second, it assesses current practices against these established criteria. Third, the results obtained from this assessment are analyzed to identify gaps. Finally, management establishes improvement goals and takes action to address the findings, completing the cycle of improvement.

32. (B) Organisation assessment – Produced by outgoing executive in their final 2 weeks.
During a CEO succession transition, various activities help set expectations and share information. Orientation sessions and tailored transitions are standard practices. However, the organization assessment is primarily a tool for the incoming executive. It is generally produced by the new leader within their first 60 to 90 days to evaluate the current state of the firm, rather than by the outgoing executive.

33. (B) Cohesiveness and effectiveness are low, yet it is a time of maximum learning and sensitivity.
In the initial stage of an executive team's development, cohesiveness and effectiveness are typically low. This period is characterized by high levels of uncertainty and anxiety among members as they navigate their new roles and relationships. Despite these challenges, it is also a time of maximum learning and heightened sensitivity, as members are deeply immersed in understanding their new organizational environment.

34. (B) Only II
Job families serve as an efficient mechanism for matching individual roles to specific levels or grades, which helps articulate clear career and development routes. In the banking industry, however, they are not used to establish vastly different compensation structures for individuals in the same cadre. Instead, compensation is usually governed by uniform industry-level agreements, keeping pay equal across similar scales and grades.

35. (A) P-3, Q-1, R-2, S-4
The succession planning process involves specific actions for each stage. Identifying key areas requires determining which positions are critical to business goals. Assessing employees involves discussing career plans and interests. Knowledge transfer plans link learning activities to required skills and abilities. Finally, evaluating effectiveness ensures that new employees in key positions are performing successfully. This structured approach ensures a resilient leadership pipeline.

36. (A) I and II only
Planning for leadership transitions is a delicate process where the treatment of outgoing executives has a lasting internal impact. Coaching, rehearsals, and visioning are beneficial for both incoming and outgoing leaders to ensure a smooth handoff. Contrary to negative views, group orientation sessions are actually an efficient means of sharing information and breaking the ice, making the third statement regarding them incorrect.

37. (A) An assessment and action plan produced within 3-6 months depending on size and complexity.
For an incoming CEO, the most appropriate primary vehicle for initial strategic discussions with the board of directors is a formal assessment and action plan. This document, typically produced within the first three to six months depending on the organization's complexity, provides a structured basis for evaluating the current state of the company and outlining the new leader's proposed strategic direction.

38. (A) P-2, Q-1, R-4, S-3
Each element of the HR audit process has specific descriptive examples. Defining audit statements involves writing descriptions of desired practices in the present tense. Assessing current practices includes reviewing data from sources like HRIS or employee surveys. Analyzing results requires formulating a picture of overall performance. Finally, establishing improvement goals involves prioritizing one or two areas that will yield the greatest benefit.

39. (B) Only II
Research on executive talent management reveals that while CEOs often dedicate a significant amount of time to these activities, this effort frequently lacks a formal strategy explicitly linked to overarching business goals. The belief that talent management is the sole responsibility of the HR department is increasingly outdated, as many corporate leaders now recognize it as a core executive-led strategic function.

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74. (C) Assertion (A) is true, but Reason (R) is false.
While the Co-operative Group does set a clear target of 70 percent for internal promotions, research suggests that most executives do not actually apply the same level of strategic rigor to talent management as they do to other business processes. Many organizations lack a formal talent strategy linked to overarching goals, despite the high importance placed on these activities by CEOs.

75. (D) A substantial percentage that aligns with executives who estimate commitment at 30-50%.
Dedicating 30 percent of working time to talent management is a substantial commitment that aligns with research findings. In studies of corporate leaders, many interviewed executives estimated their time commitment to be between 30 and 50 percent. This level of involvement demonstrates that high-level leadership development is viewed as a primary strategic priority rather than a secondary administrative task for modern CEOs.

76. (A) I, II, and III only
Talent management is distinguished by federating duties to front-line managers and focusing on the development of top talent. Traditional HR, by contrast, is often more administrative-focused, handling pay and benefits. However, talent management is actually the strategic function linked to business goals, while traditional HR is often more tactical, making the fourth statement regarding their relative strategic nature incorrect.

77. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that an executive team's cohesiveness and effectiveness are high in the first few months is incorrect. In reality, these early stages are marked by low cohesion and performance. Members are often still strongly immersed in their previous external environments and have not yet fully committed to the new team, leading to a period of adjustment, learning, and high uncertainty.

78. (D) I, II, III, IV, and V
Managerial succession planning involves a comprehensive set of activities to ensure leadership continuity. These include analyzing the demand for managers, providing career counseling, and managing accelerated promotions. Additionally, the process requires periodical performance evaluations of incumbents and strategic recruitment from outside the organization to fill any critical gaps. Together, these elements form a robust framework for sustaining an organization's leadership pipeline.

79. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The most advantageous time to complete an HR audit is just before the annual planning process begins. This timing allows the information gathered during the audit to inform the setting of next year's goals. By understanding current strengths and weaknesses beforehand, management can effectively plan for the maintenance of good practices and the development of necessary improvements in the upcoming year.

80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
A robust succession plan is critical for major businesses in the developed world, largely because many of these enterprises are family-owned and managed. Since owners eventually retire, may become disabled, or pass away, the organization must be prepared for these transitions. A systematic plan ensures that the business can continue to operate smoothly and maintain its market position despite changes in ownership.

81. (C) CEOs regard the development of future leaders as one of the best ways of leaving a legacy.
When a CEO personally mentors senior managers, they are engaging in a practice common among top leaders who see the development of the next generation as a way of leaving a lasting legacy. This involvement moves beyond administrative oversight, representing a deep commitment to organizational continuity. Such mentoring helps cultivate future leaders who understand the firm's strategic vision and cultural values.

82. (D) I, II, III, IV, and V
A CEO's responsibilities are diverse, covering internal controls, legal and ethical conduct, and effective communication with shareholders and government authorities. They are also responsible

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performs ceremonial and legal tasks. In the leader role, they focus on hiring, training, and motivating subordinates. As a monitor, the CEO seeks and receives information to understand the environment. Finally, as a negotiator, they take charge of crucial talks requiring real-time decision-making authority.

49. (A) Employee turnover rate – Increased to promote fresh hiring constantly.
The goal of an HR audit is to improve organizational efficiency and effectiveness. Measures such as reducing response times for administrative requests and decreasing the time taken to fill open positions are positive indicators. However, increasing the employee turnover rate is generally seen as a negative outcome, as high turnover can lead to significant costs and loss of valuable institutional knowledge.

50. (A) P-4, Q-2, R-1, S-3
In banking, job families map across various functional counterparts. Risk management is often related to wealth management core matrices. Information technology is closely linked with data analytics. Treasury operations include the critical function of forex management. Finally, marketing and sales roles are naturally associated with customer relationship management. This framework helps banks categorize roles and develop targeted skill sets for different areas.

51. (C) I and III only
A job family is a grouping of roles with similar work natures and skill sets, and it helps create a common language for career management across departments. However, it does not require identical levels of skill, effort, and responsibility for every job within the family; rather, it accommodates different levels of complexity and specialization within a shared functional domain and framework.

52. (B) IV, II, V, I, III
The five-step succession planning process follows a logical progression. It begins with identifying key areas and positions (Step 1). Next, the organization identifies the capabilities required for those roles (Step 2). Third, interested employees are assessed against those capabilities (Step 3). Then, succession and knowledge transfer plans are developed and implemented (Step 4). Finally, the effectiveness of the entire process is evaluated (Step 5).

53. (C) P-2, Q-3, R-4, S-1
Executive team development progresses through distinct stages. The first stage involves low cohesiveness and high uncertainty. Adolescence is marked by a positive feedback loop where success builds cohesiveness. High cohesiveness occurs when a team memory fully defines roles. Finally, external adaptation is the stage where the team learns new techniques to respond appropriately to changes in the environment, such as competitor innovations.

54. (B) Only II
In a line management structure, the lowest managerial level is supervisory management. This system is characterized by a hierarchical chain of command where employees report to a single supervisor, not multiple ones simultaneously. This “unity of command” is a core principle of line management, ensuring clear reporting lines and accountability throughout the organization from top executive to the front-line level.

55. (A) Resource Allocator – Scheduling own time and designing organisation structure.
As a resource allocator, a chief executive officer is responsible for scheduling their own time and designing the organizational structure. This role involves making critical decisions about who will do what and how the company’s capital and human resources are distributed. Effective resource allocation ensures that the organization’s most valuable assets are aligned with its highest strategic priorities and operational needs.

56. (A) Internal grooming may not work for specialized areas like Law and Taxation, which require distinct policies.
Banks often require a hybrid model of succession and talent management because internal grooming within generic job families may not suffice for highly specialized areas. Professional roles in law and taxation, for instance, require distinct career policies and specialized expertise that are not easily developed through standard officer rotations. A hybrid approach allows for targeted talent development in these essential niche categories.

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57. (C) I and III only
The chief executive officer serves as the vital link between the organization and its external environment. In the negotiator role, their presence is necessary because they possess the authority and information to make real-time decisions. The liaison role, however, primarily involves developing high-status contacts outside the firm rather than exclusively dealing with internal subordinates, making the second statement regarding its focus incorrect.

58. (B) P-2, Q-4, R-1, S-3
Talent management differs from HR in several structural and strategic ways. The structural approach involves federating duties to front-line managers. The primary focus is on improving top talent rather than administrative tracking. Its strategic nature manifests as a company-wide long-term plan linked to business goals. Responsibility for talent management is shared across the whole organization, ensuring everyone has a stake in leadership development.

59. (C) Both I and II
In organizations with a Board of Directors, the Managing Director role may be combined with the CEO, providing a direct reporting line and administrative function. In contrast, in businesses without a board, the CEO position itself is responsible for setting the direction and overseeing all operations. Both statements accurately reflect how leadership roles are structured depending on the governing framework of the organization.

60. (B) P-2, Q-1, R-4, S-3
Job families have several defining characteristics. Organizations typically use 15-20 families. Career progression is enhanced by allowing movement across functions within a family. Trait similarity ensures that roles at the same level share common knowledge and skill requirements. Furthermore, job families build a healthy talent pipeline by allowing employees to work in related sub-jobs, which ultimately improves overall organizational creativity and flexibility.

61. (D) I, II, III, IV, and V
CEO-led talent management encompasses a wide range of integrated activities designed to develop future leaders. These include performance evaluations to identify potential, psychological testing for capability gaps, and assessment centers to accelerate development. Furthermore, the process utilizes practical experiences like relocations and project work, alongside formal training and development programs, to ensure a comprehensive and well-rounded approach to nurturing high-potential talent.

62. (C) Assertion (A) is true, but Reason (R) is false.
The HR audit indeed utilizes a systems approach because it is comprehensive and inclusive of traditional human resource practices. However, its primary objective is not to evaluate financial profit margins directly. Instead, the audit focuses on assessing the capabilities, effectiveness, and legal compliance of the HR department and its activities to ensure they support the organization's broader operational and strategic goals.

63. (D) I, II, III, and IV
Step 4 of the succession planning process is multi-faceted, involving the development and implementation of plans for staff. It incorporates strategies for learning and training while defining experiences required for leadership roles. Crucially, it links individual learning plans to required knowledge and skills for future positions. It also includes discussions with employees about how to effectively transfer their corporate knowledge to successors.

64. (C) Within the authorized annual budget of the company.
One of the fundamental duties of a chief executive officer is to ensure that all company expenditures are managed responsibly. Specifically, these financial outlays must remain within the bounds of the authorized annual budget of the company. This oversight ensures fiscal discipline and aligns operational spending with the financial plans and limits approved by the board of directors or the owners.

65. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Talent management is fundamentally different from traditional administrative-focused HR because it is more strategic and federated. By involving front-line managers in duties such as hiring and talent development, the organization

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ensures that these activities are integrated into daily operations. This shared responsibility gives the whole organization a stake in talent management, moving it beyond the confines of a single department.

66. (A) Promotion should consider performance and behavior; damaging the organisation is not acceptable.
Modern talent management principles dictate that promotion decisions must consider both performance results and professional behavior. High financial achievement does not justify toxic behavior that damages organizational culture. Therefore, a CEO should view such a manager as unsuitable for promotion without behavioral improvement. This balanced approach ensures that leadership transitions support a healthy, productive, and sustainable environment for all employees.

67. (B) I, II, and IV only
A CEO's duties include leading strategy development with the Board, maintaining high standards of corporate citizenship, and sitting on appropriate Board committees. However, the CEO does not have the authority to dictate the date and location of the annual shareholder meeting without consulting the Chairman. These governance activities typically require collaboration between the CEO and the Board's leadership to ensure proper coordination.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
During a CEO transition, preparing employees at all levels for the incoming executive's inquisitiveness is essential for a smooth handover. Organizing group orientation sessions serves as an efficient way to facilitate this process. These sessions allow for sharing information and breaking the ice, creating a necessary mix of formality and informality that helps the new leader and the staff connect effectively.

69. (A) Resource Allocator
When a chief executive officer decides how to allocate capital among different factory units or departments, they are performing the specific role of a resource allocator. This critical function involves prioritizing investments and distributing the company's financial and physical assets to where they can be most effective. By making these decisions, the CEO ensures that resources are aligned with strategic objectives.

70. (D) I, II, III, IV, and V
The job family concept is versatile and can be effectively introduced across many different business and administrative areas within a bank. These include risk management, wealth management, agri finance, developmental human resource management, and treasury and forex management. Implementing job families in these diverse sectors helps standardizing role definitions and skill requirements, facilitating better talent management and clearer career paths throughout.

71. (A) Formal assessments to determine leaders' readiness for future jobs.
To support future placement decisions for senior managers, organizations should utilize formal assessments that determine a leader's readiness for upcoming roles. Phrases like "objective data" or "strategic approach" describe how these assessments help ensure that key positions are filled by candidates who possess the necessary capabilities to lead the organization successfully.

72. (D) I, II, III, and IV
The objectives of an HR audit are comprehensive and multi-layered. They include clarifying desired practices and roles, evaluating current effectiveness against a baseline, and standardizing practices across multiple sites. Additionally, the audit aims to improve performance levels for key internal customers. Together, these objectives ensure that the human resource function is professional, efficient, and fully aligned with the organization's broader goals.

73. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that generic job families can yield desired results for all specialized areas is false, as internal grooming through a single model is often insufficient for niche fields. Core areas like law and taxation require officers to have distinct career policies. Therefore, a hybrid model of succession and talent management is necessary to accommodate the unique developmental needs of these specialists.

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40. (A) P-2, Q-3, R-4, S-1
Chief executive officers perform various duties within specific contexts. Strategy development involves leading in conjunction with the Board to set company direction. Internal controls ensure that effective management information systems are in place. As a board liaison, the CEO may request special meetings when appropriate. Regarding public disclosure, the CEO must ensure the integrity of all communications made by the company.

41. (D) I, II, and III
A human resource audit offers several significant benefits to an organization. It encourages a higher level of professionalism and responsibility among HR staff and helps reduce costs through the implementation of more effective personnel procedures. Additionally, the audit process ensures that the company remains in timely compliance with all essential legal requirements, thereby mitigating risks and improving overall organizational health and efficiency.

42. (C) They are stated in the present tense and in a positive manner to describe the desired performance level.
When defining desired human resource practices during an audit, statements should be drafted in the present tense and in a positive manner. This approach describes the target level of performance as if it is currently being achieved. Using this format provides a clear and professional benchmark against which current practices can be accurately assessed, helping to identify specific gaps and opportunities.

43. (B) Assessment centres – Used to determine capability gaps.
Assessment centers are a key element of talent management used specifically to determine capability gaps among potential leaders. Unlike purely administrative tasks, these evaluations help identify the specific developmental needs required to accelerate an individual's readiness for future roles. Other elements like mentoring are often conducted informally by CEOs, and performance evaluations should ideally consider both financial results and organizational behavior.

44. (A) P-4, Q-1, R-2, S-3
Managerial succession planning involves several key activities. Analyzing demand requires assessing the organization's need for managers and professionals. Auditing existing executives involves projecting the likely future supply from internal sources. Individual career path planning involves formulating written development directions. Strategic recruitment is used to fill gaps in top positions from outside sources when internal candidates are not ready or available.

45. (A) I and II only
Research into talent management shows that a portion of interviewed executives spend at least 30 percent of their time on these activities. While these leaders believe that strong talent management improves financial performance, they often do not measure the return on investment explicitly. The claim that few firms use formal assessments is inconsistent with modern practices where such tools support promotion decisions.

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46. (B) There is potential in everyone, and the approach should release it while retaining key personnel.
The foundational assumption of talent management is that every employee has potential that can be developed. The approach aims to release this potential while simultaneously retaining key personnel who are critical to the organization's success. This mindset shifts the focus from purely administrative oversight to a proactive strategy of human capital development that benefits both the individual and the entire organization.

47. (C) Both I and II
Succession planning is a global priority, as a high percentage of major businesses in the developed world are family-owned and managed. Transitions in these organizations can be transformative; for example, at the Aditya Birla Group in India, a new Chairman revamped the leadership by bringing in professional managers. This illustrates how structured succession can lead to modernization and continued organizational growth.

48. (B) P-4, Q-1, R-2, S-3
The roles of a CEO vary from symbolic duties to active negotiation. As a figurehead, the CEO

for requesting special Board meetings and ensuring that the company's expenditures remain within the authorized annual budget. These duties collectively ensure that the organization is well-governed, financially stable, and transparent in its dealings with various stakeholders.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The chief executive officer acts as the essential bridge between the organization and its external environment. This is achieved through several specific roles, such as the liaison role where they develop high-status external contacts. Additionally, as a spokesman and negotiator, the CEO deals directly with the public and other outside parties, representing the firm's interests and making critical decisions in real-time.

84. (C) Because he has the information and authority to make the real-time decisions needed.
A CEO's presence is structurally required in tough union negotiations because the role carries the unique combination of comprehensive information and the final authority to make real-time decisions. While other managers may handle details, the CEO can commit the organization to significant agreements on the spot. This authority is crucial for resolving complex disputes and reaching definitive settlements in high-stakes environments.

85. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that banks use the job family concept to create different compensation structures is incorrect. Compensation in the banking industry is generally governed by uniform industry-level agreements, meaning pay is determined by an individual's cadre or scale regardless of their job family. While job families help define roles and development, the actual salary remains equal across the established organizational grades.

86. (B) I, III, and IV only
Job families typically number between 15 and 20 and help differentiate roles while improving organizational creativity by allowing work in related sub-jobs. However, they do not inhibit an employee's ability to move across functions; rather, they are designed to facilitate such movements by providing a clear and common framework for understanding how different roles and skill sets relate to one another.

87. (B) Talent management federates duties to managers, giving the whole organisation a stake. Shifting responsibilities such as hiring and retention to front-line managers is a hallmark of talent management that distinguishes it from traditional HR. This federation of duties ensures that the people leading the employees every day have a direct stake in managing talent. This approach integrates human capital development into the operational heart of the company, rather than centralizing it as an administrative function.

88. (D) I, II, III, IV, and V
The HR audit process leads to measurable improvements across various key performance indicators. These include better control over turnover rates, increased percentages of trained employees, and more prompt action on engagement survey results. Furthermore, the audit facilitates the development of a total compensation philosophy and robust succession plans. These outcomes demonstrate the audit's value in enhancing both administrative efficiency and strategic human capital management.

89. (B) To act as the position that sets direction and oversees organizational operations.
In a sole proprietorship without a board of directors, the chief executive officer occupies the central position of authority. Their primary role is to set the overall direction of the organization and oversee all operational activities. Unlike leaders in larger corporate structures who must answer to a board, this CEO has direct control over the company's strategic path and daily management decisions.

90. (D) Assertion (A) is false, but Reason (R) is true.
It is incorrect to assert that an executive team's cohesiveness and effectiveness are high during its initial months. This early period is actually characterized by members being barely committed to the team as they remain strongly immersed in their previous external environments. As a result, the team faces high levels of uncertainty and must undergo significant learning before achieving true cohesion and effectiveness.

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CHAPTER 08
Communication

Oct/Nov 2014

1. In the case of oral communications, approximately what percentage of the material information is lost in each transmission?
(A) 10%
(B) 20%
(C) 30%
(D) 40%

May/June 2021

2. Which of the following statements about body language is correct?
(A) Body language imparts four times as much information as spoken words in meetings
(B) Looking away from a speaker shows extreme focus and professional approachability
(C) Confident people make more frequent eye contact than people who are unsure
(D) Placing hands in pockets is recommended to show a relaxed and open corporate attitude

Oct/Nov 2009

3. Which of the following best defines formal communication in an organisation?
(A) The multidimensional flow of information without any restraint of predefined channels or reporting protocols
(B) The unstructured social interactions among people who work together in a shared physical or virtual workspace
(C) Communication where information flows through predefined channels following an established hierarchical chain
(D) The expression of emotional states and everyday needs outside the official purpose or professional goals

May/June 2018

4. Which of the following statements regarding Human Resources and communication is incorrect?
(A) Effective organisational communication contributes directly to employee learning and competitive advantage
(B) HR cannot apply a one-size-fits-all approach to communication among various business verticals
(C) The traditional view is that life has a strong work component, while Boomers see work as the focus
(D) The new workforce tends to be communicated with in a most-concise manner, avoiding long explanations

Oct/Nov 2016

5. What is the fundamental view of Generation 'Y' regarding work and life?
(A) Work is the central focus of life
(B) Work and personal life should be a smooth integration
(C) Life must have a strong work component
(D) A clear balance is required between work and life

May/June 2007

6. Which of the following is NOT one of the communication patterns given by Harold J. Leavitt?
(A) Circle
(B) Matrix
(C) Chain
(D) Wheel

Oct/Nov 2025

7. What is the definition of organisational communication?
(A) The exchange of information strictly within the prescribed hierarchical channels of a corporation to maintain structural integrity
(B) The multidimensional study of various communicative symbols, networks, and discourses within an organizational context
(C) The process of transmitting raw data and technical instructions from superiors to subordinates through formalized electronic systems
(D) The mechanical process of encoding and decoding messages to eliminate any physical obstruction or environmental noise factors

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99. (D) Identify which positions, if left vacant, would make it difficult to achieve business goals.
Step 1 of the succession planning process focuses on identifying key areas and positions within the organization. The primary action in this stage is to determine which specific roles, if left vacant, would significantly hinder the organization's ability to achieve its business goals. This prioritization ensures that the planning efforts are focused on the most critical leadership needs that are essential for long-term stability.

100. (D) Maintenance of current good practices and development of improved practices.
Establishing improvement goals following an HR audit involves a two-pronged approach. First, the organization must focus on the maintenance of current good practices that are already performing effectively. Second, it must dedicate efforts to the development of improved practices in areas where gaps were identified. This balanced strategy ensures that the organization protects its existing strengths while proactively addressing opportunities for future growth.

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91. (B) Generic Job Families do not substitute for Specialist categories in areas like Law.
Organizations like banks recognize that generic job families are often not a sufficient substitute for specialist categories in fields such as law. The unique professional requirements and distinct career paths of legal professionals necessitate a more tailored approach. A hybrid model allows the organization to benefit from the general structure of job families while maintaining the specialized policies needed to retain and develop experts.

92. (C) Perform like an experienced adult, able to handle challenges in previously learned ways.
A fully developed "team memory" serves as a collective knowledge base that enables an executive team to perform like an experienced adult entity. It allows members to understand their specific roles clearly and to handle new challenges by drawing on previously learned techniques. This maturity increases the team's overall efficiency and its ability to respond consistently and effectively to various organizational pressures.

93. (D) Members were barely committed and were strongly immersed in their external environments.
During the first three months of an executive team's existence, the members typically exhibit low levels of commitment to the group. They are often still strongly immersed in their previous external environments and roles. This initial phase is characterized by significant uncertainty as the team has not yet developed the cohesiveness or the shared memory required to perform effectively as a unified leadership entity.

94. (C) New employees complete an orientation of key company policies within the first 30 days.
A desired HR practice statement should be written in the present tense and in a positive manner. For example, stating that new employees complete an orientation of key company policies within their first 30 days clearly defines a target performance level. This format provides an objective benchmark for the audit process, allowing the organization to measure its current performance against this ideal standard.

95. (A) Inform employees about key areas and positions and required capabilities.
In Step 2 of the succession planning process, the focus is on identifying the capabilities required for key areas and positions. An appropriate action at this stage is to inform employees about these critical roles and the specific competencies needed for success. This transparency helps align individual development efforts with organizational needs and ensures that potential successors understand the requirements of future leadership positions.

96. (B) Success increases cohesiveness, which increases effectiveness, generating more success.
A positive feedback loop in an executive team occurs when success builds cohesiveness among its members. This increased unity then leads to greater collective effectiveness, which in turn generates even more success for the organization. This cycle reinforces the team's ability to work together and helps them transition into a more mature and high-performing stage of their development as a leadership group.

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97. (A) Step 2: Assess current practices against the criterion that has been established.
Step 2 of the HR audit process involves assessing current practices against the established criteria. During this phase, the audit team actively searches for evidence that either supports or refutes the statements made about desired organizational practices. This critical evaluation identifies the gaps between actual performance and the target standards, providing the necessary data for future analysis and the setting of improvement goals.

98. (B) Grouping jobs with similar traits, so roles have similar knowledge and skill levels.
The implementation of a job family framework relies on the core characteristic of grouping roles with similar traits. This ensures that positions within the same family share similar requirements for knowledge, skills, and competencies at each career level. By establishing these clusters, organizations can create a more consistent and transparent approach to talent management, career development, and the identification of necessary skill sets.

May/June 2012

8. Which of the following was a main assumption underlying early organisational communication research?
(A) Humans act irrationally and require constant supervision through direct observation
(B) Organisations are mechanical things where employees function as interchangeable parts
(C) Communication is primarily a dynamic, non-linear psychological process between peers
(D) Individual differences cannot be effectively minimized or eliminated by management

Oct/Nov 2018

9. Which of the following statements about modern communication issues is incorrect?
(A) Email communication relies almost exclusively on words, leaving out nuances of nonverbal cues
(B) Reacting instead of responding involves pausing to reflect on all facts rather than yielding to anger
(C) Underestimating the audience involves glossing over issues because managers believe people won't understand
(D) A lack of clarity in tone is especially problematic in times of challenge or change

May/June 2023

10. According to research on modern communication issues, what percentage of all online communication is misunderstood?
(A) 25 percent
(B) 40 percent
(C) 50 percent
(D) 75 percent

Oct/Nov 2010

11. Which of the following is NOT one of the three cardinal principles required for communication and customer relations in a business organisation?
(A) Adequacy
(B) Transparency
(C) Consistency
(D) Dependency

May/June 2005

12. How is miscommunication differentiated from communication failure?
(A) Miscommunication occurs when no meaningful message is exchanged, while failure occurs when the receiver gets a different message
(B) Miscommunication involves a breakdown in the mechanical transmitter, while failure is caused by psychological barriers
(C) Miscommunication means the message received differs from the intent, while failure means no meaningful message is exchanged
(D) Miscommunication is an external factor, whereas communication failure is strictly internal to the organisational structure

Oct/Nov 2022

13. Which of the following is one of the four sets of principles used by Henri Fayol to explain his theory?
(A) How employees are rewarded
(B) How technology should dictate the workflow
(C) How the external market should be analysed
(D) How to eliminate the informal grapevine

May/June 2019

14. Which of the following is a characteristic of two-way communication compared to one-way communication?
(A) It is faster and appears more businesslike to an outside observer
(B) It protects the power of the manager by hiding mistakes
(C) It is relatively noisier and looks more disorderly
(D) It makes the receivers less sure of their judgments

Oct/Nov 2006

15. Which of the following is NOT one of the guidelines given by Chester Barnard regarding communication?
(A) The channels of communication should be definitely known
(B) The line of communication should be as direct and short as possible
(C) Every communication should be authenticated
(D) The line of communication must be occasionally interrupted to test organisational resilience

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May/June 2012

46. What is the primary reason an organisation should respect the "grapevine"?
(A) It allows management to officially authenticate all rumours circulating in the office
(B) It reveals major sentiment shifts where employees feel safe sharing their feelings
(C) It is the most secure channel for transmitting trade secrets to external competitors
(D) It replaces the need for standard operating manuals and official job descriptions

Oct/Nov 2014

47. Evaluate the following two statements regarding Human Resources (HR) and communication:
I. Communication is universally recognized as a strategic necessity and key to the success of all HR functions.
II. HR must apply a one-size-fits-all approach to effectively communicate across different generations in the workforce.
(A) Both Statement I and Statement II are true
(B) Statement I is true, but Statement II is false
(C) Statement I is false, but Statement II is true
(D) Both Statement I and Statement II are false

May/June 2019

48. Match the generations in List I with their corresponding view on work and life in List II:
List I: (Generation)
P. Traditional Generation
Q. Baby Boomers
R. Generation 'X'
S. Generation 'Y'
List II: (View on Work and Life)
1. Seeks a clear balance between work and life
2. Desires smooth integration without separation
3. View of work being the central focus of life
4. View of life with a strong work component
(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-2, R-3, S-4

Oct/Nov 2006

49. Identify the incorrectly matched pair of modern communication issue and its description:
(A) Underestimating your audience – Explaining detailed strategy because colleagues demand the rationale behind changes
(B) Lack of clarity in tone – Ignoring the tone of a message during times of challenge
(C) Speaking more and listening less – Failing to stop and listen to gain empathy
(D) Using communication as a weapon – Sending passive aggressive emails that have long term negative effects

May/June 2021

50. Match the cardinal principle of customer relations in List I with its implication in List II:
List I: (Principle)
P. Adequacy
Q. Transparency
R. Consistency
S. Accountability
List II: (Implication)
1. Speaking by all in the organisation on the same wavelength
2. The right to hold business organisations responsible for their actions
3. No attempt is made to cover up or hood-wink the shareholders
4. All relevant information is made available to stakeholders
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-1, R-3, S-2
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-3, R-1, S-4

Oct/Nov 2010

51. Consider the following statements about Henri Fayol's theory:
I. It explains how an organization should be structured.
II. It explains how managers should handle their power.
III. It explains how the Shannon and Weaver noise factor is eliminated.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2005

52. Consider the following focus areas of organisational communication research and arrange them in chronological order based on the decades in which they were prominent (1950s, 1980s, 1990s):

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Oct/Nov 2005

25. What did Virginia Satir point out regarding nonverbal communication?
(A) Body language represents 38% of overall communication effectiveness in modern business
(B) People communicate symbolically through physical appearance, possessions, or body language
(C) Nonverbal communication is only relevant when conducting formal business in global settings
(D) Silence is a complete absence of communication and conveys no meaningful message to others

May/June 2020

26. When does communication overload occur?
(A) When an organisation operates strictly on one-way military communication protocols without providing any feedback loops
(B) When management relies exclusively on non-verbal cues and body language to convey complex technical instructions
(C) When the grapevine replaces the formal hierarchical chain of command as the primary source of operational data
(D) When the volume of incoming information exceeds an individual's psychological capacity to process and absorb it

Oct/Nov 2015

27. Which of the following is NOT one of the concepts dealt with in the Shannon and Weaver Model of Communication?
(A) Grapevine
(B) Information source
(C) Transmitter
(D) Noise

May/June 2013

28. The Shannon and Weaver Model of Communication was initially developed to improve which field?
(A) Technical communication
(B) Public relations
(C) Interpersonal psychology
(D) Labour market communication

Oct/Nov 2021

29. Which of the following is NOT an accurate description of a barrier to effective communication?
(A) Communication overload occurs when the lowest-priority messages are cancelled and not sent at all
(B) Faulty translations happen because superiors use technical or specialized language not understood by subordinates
(C) Pre-occupation of the mind of the sender creates a barrier known as inattention
(D) Dis-trust of a communicator arises out of ill-conceived judgments or frequent countermanding of original communication

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May/June 2024

30. In the context of communication and customer relations, what does the principle of 'Adequacy' imply?
(A) Speaking by all matters in the organisation from top to bottom on the same wavelength
(B) No attempt is made to cover up or hood-wink the shareholders
(C) Communication is restricted to only what is legally required to avoid market panic
(D) All relevant information is made available by the management to its various stakeholders

Oct/Nov 2008

31. Consider the following components as they appear in the Shannon and Weaver Model of Communication. Arrange the sequence from start to finish:
I. Decoder
II. Channel
III. Encoder
IV. Destination
V. Sender
(A) V, III, II, I, IV
(B) V, II, III, I, IV
(C) III, V, II, IV, I
(D) V, I, II, III, IV

May/June 2006

32. Identify the incorrectly matched pair of communication direction and its example:
(A) Downward communication – Instructions and corporate goals
(B) Horizontal communication – Directives from Central office to Zonal office
(C) Upward communication – Complaints and suggestions
(D) Cross-sectional communication – Call Centre initiatives handling customer grievances

May/June 2014

16. How is Meta-Communication defined in the context of interpersonal interactions?
(A) Communication about non-spoken cues that reveals the nature of a relationship
(B) The use of formal written language to clarify the intent of a spoken message
(C) The flow of information outside the organisation to various external stakeholders
(D) The rapid transmission of electronic messages via high-speed internet and intranet

Oct/Nov 2007

17. Which of the following is an incorrect statement about the Leavitt Experiment?
(A) The participants were placed in open rooms to observe their face-to-face body language
(B) It included 5 people who had to play a game similar to clue
(C) Every person had five symbols and had to find out which symbol they had in common
(D) People had slots with 6 switches in their cubicles to exchange information

May/June 2025

18. In what year did Harold J. Leavitt describe communication patterns and its types?
(A) 1930
(B) 1950
(C) 1970
(D) 1990

Oct/Nov 2019

19. Which of the following is an effective strategy to support upward communication?
(A) Ensure every employee receives a copy of the strategic plan
(B) Regularly hold management meetings even if there is no formal agenda
(C) Ensure every employee receives an employee handbook
(D) Use staff meetings to solicit feedback and act on it

May/June 2009

20. Which theories on Organisational Communication were developed by Peter Senge?
(A) Learning organisation and systems thinking
(B) Cyber networks and human relations
(C) Structural dynamics and rational action
(D) Meta-communication and psychological safety

Oct/Nov 2011

21. Which of the following hand and arm movements is NOT listed as one to avoid for good body language?
(A) Folding your arms or wrapping them around yourself
(B) Placing your hands in your pockets
(C) Using hands for emphasis with smooth and flowing movements
(D) Fidgeting, scratching, and wringing your hands

May/June 2010

22. According to research, what percentage of communication is conveyed by the words we use?
(A) 55%
(B) 38%
(C) 15%
(D) 7%

Oct/Nov 2024

23. How did Chester Barnard view the role of communication in an organization?
(A) As a mechanical process where individual parts are interchangeable and operate according to fixed parameters
(B) As a strictly downward flow of commands originating from a higher level of expertise to ensure uniformity
(C) As an informal network that operates exclusively through the grapevine to bypass established structural constraints
(D) As the force making the organization a cooperative system by linking purpose to human participants

May/June 2017

24. Which of the following statements regarding cross-sectional communication is incorrect?
(A) It encourages cohesive and cordial communications with peer departments
(B) It is paramount between departments like Sales, Marketing, and Dispatch to ensure better customer service
(C) Call Centre initiatives by banks demonstrate cross-sectional communication channels facilitating quick response
(D) It is a downward flow of instructions from superiors across different departments

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(C) Statement I is false, but Statement II is true
(D) Both Statement I and Statement II are false

May/June 2022

40. Match the theorist in List I with their respective contribution to organisational communication in List II:
List I: (Theorist)
P. Harold J. Leavitt
Q. Peter Senge
R. Henri Fayol
S. Chester Barnard
List II: (Contribution)
1. Learning organisation and systems thinking
2. Communication networks (circle, chain, wheel, Y)
3. Guidelines including known channels and competent centers
4. Principles including how managers should handle power
(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-1, R-3, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2023

41. Consider the following statements about loss by transmission and poor retention:
I. In oral communications, about 30% of material information is lost in each transmission.
II. Supervisors typically retain about 70% of the information.
III. General employees generally retain about 80% of the information.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2007

42. What is the primary cause of distrust of a communicator?
(A) The use of modern gadgets and electronic messaging systems to relay company news
(B) The implementation of a two-way communication system across various departments
(C) Ill-conceived judgments, illogical decisions, or frequent countermanding of orders
(D) The reliance on non-verbal cues instead of written documents for annual reviews

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Oct/Nov 2009

43. Identify the correctly matched pair of communication barrier and its corresponding characteristic:
(A) Faulty Translations – Disturbance caused by a faulty instrument or media
(B) Vague and un-clarified assumptions – Superiors pushing papers down with no instructions, causing a dilemma
(C) Loss by transmission – Hostility between parties creating a physical obstruction
(D) Emotional barriers – Omissions and ambiguities in writing

May/June 2023

44. Match the Shannon and Weaver model element in List I with its function or position in List II:
List I: (Element)
P. Sender
Q. Channel
R. Noise
S. Receiver
List II: (Function/Position)
1. The destination point that takes in the decoded message
2. Factors which affect the communication process
3. The medium carrying the encoded message
4. The information source that initiates the process
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2018

45. Consider the following statements about body language statistics:
I. 55% of communication is conveyed by the body language we use.
II. 38% of communication is conveyed in the voice by its quality, tone, and inflections.
III. 17% of communication is conveyed in the actual words we use.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

joined a corporate bank as a department head. Accustomed to military protocol, he issues direct orders via email and discourages subordinates from asking for clarifications.

Based on communication research regarding one-way systems, what is the most likely consequence of Col. Sharma's strict communication method?

(A) The process will appear fast, but receivers may be less sure of themselves
(B) It will be significantly slower but produce much more accurate results over time
(C) The receivers will feel highly confident and make correct judgments on complex tasks
(D) Col. Sharma will feel psychologically under attack by the subordinates during reviews

May/June 2024

70. Consider the following statements regarding general barriers to communication:

I. Badly expressed messages suffer from lack of clarity, omissions, and ambiguities.
II. Faulty translations occur when managers use specialized language not understood by subordinates.
III. Loss by transmission is a severe issue, with employees typically retaining only 40% of information.
IV. Emotional barriers produce half-way results due to hostility or mismatched wave lengths.
V. Noise is solely a psychological factor and has no relation to faulty instruments.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

Oct/Nov 2008

71. Read the following case study and answer the question that follows:

A CEO gives an important verbal directive to the Zonal Manager during a brief meeting. The Zonal Manager calls the Branch Manager, who then verbally relays the instructions to the clerks. Later, the CEO finds that the clerks are largely ignorant of the core rules of the directive.

Based on facts regarding poor retention in organisations, what percentage of the original information are the general clerks likely retaining?

(A) 70%
(B) 50%
(C) 40%
(D) 20%

May/June 2006

72. Consider the following statements regarding modern communication issues:

I. Electronic messages rely almost exclusively on words, removing nonverbal nuances.
II. Communication overload is easily managed by adopting one-way military communication.
III. Sending emails in anger without pausing reflects the issue of reacting instead of responding.
IV. Email can be used as a weapon through passive-aggressive communication.

Which of the above statement(s) is/are correct?

(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

Oct/Nov 2017

73. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): Emotional or psychological traits create a meta-message that acts as a major barrier in inter-personal communications.

Reason (R): The hostility between communicating parties leads them to view the communication from a hostile attitude, producing half-way results.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

74. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): The grapevine can be completely

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I. Possibilities to oppress/liberate organisational members
II. Role of communication in improving organisational life and output
III. Constitutive role of communication in the activities of the organisation
(A) II, III, I
(B) I, II, III
(C) III, II, I
(D) II, I, III

Oct/Nov 2022

53. Match the classification of communication in List I with its corresponding example in List II:
List I: (Classification)
P. Downward Communication
Q. Upward Communication
R. Informal Communication
S. Cross-sectional Communication
List II: (Example)
1. A complaint or grievance sent from a branch to the Zonal Office
2. Corporate goals and instructions sent to subordinates
3. Interaction between Sales, Marketing, and Dispatch departments
4. The grapevine sharing useful information for events to come
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-3, R-1, S-2
(C) P-2, Q-1, R-4, S-3
(D) P-2, Q-4, R-1, S-3

May/June 2018

54. Evaluate the following two statements regarding communication problems:
I. Communication failure occurs when no meaningful message exchanges hands.
II. Miscommunication occurs when the message received is exactly the same as the one intended.
(A) Both Statement I and Statement II are true
(B) Statement I is true, but Statement II is false
(C) Statement I is false, but Statement II is true
(D) Both Statement I and Statement II are false

Oct/Nov 2016

55. Identify the correctly matched pair of theorist and their core concept:
(A) Bavelas – Impact of communication networks on group task completion
(B) Peter Senge – The Shannon-Weaver Model of Noise
(C) Virginia Satir – Four sets of principles on structural power
(D) Chester Barnard – The constitutive role of oppressive communication

May/June 2014

56. In the context of emotional or psychological barriers, what plays an important role in perceiving the 'meta-message'?
(A) The emotions of the receiver
(B) The technical competence of the communication center
(C) The physical distance between the sender and receiver
(D) The speed at which the message is decoded

Oct/Nov 2007

57. Consider the following statements about early assumptions in organisational communication:
I. Sane people behave in rational ways and make rational decisions unless there is a communication breakdown.
II. Distortion in a mechanical communication process cannot be identified or reduced.
III. Employees functioning in defined roles are seen as interchangeable parts in a mechanical organisation.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2025

58. Match the barrier to effective communication in List I with its description in List II:
List I: (Barrier)
P. Badly expressed messages
Q. Inattention
R. Faulty Translations
S. Un-conducive Organisational Climate
List II: (Description)
1. Pre-occupation of mind of the receiver and consequent non-listening
2. Technical/specialized language not understood by implementers
3. Lack of clarity, precision, omissions, and repetitions
4. Disturbed environment lacking openness and mutual trust
(A) P-3, Q-1, R-2, S-4

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(B) P-3, Q-2, R-1, S-4
(C) P-1, Q-3, R-2, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2019

59. Evaluate the following two statements regarding informal communication:
I. Informal communications are structured by the formal organisational systems to provide useful information for events to come.
II. Grapevine can be completely abolished, hidden under the carpet, or stopped by strict management rules.
(A) Both Statement I and Statement II are true
(B) Statement I is true, but Statement II is false
(C) Statement I is false, but Statement II is true
(D) Both Statement I and Statement II are false

May/June 2009

60. Match the communication approach in List I with its description in List II:
List I: (Approach)
P. Formal Communication
Q. Internal Communication
R. External Communication
S. Informal Communication
List II: (Description)
1. Messages exchanged via intranet vertically, horizontally, and diagonally
2. Information exchange communicating with the outside world
3. Information flowing through hierarchical chains established by the organization
4. Multidimensional flow without restraint, comparatively very quick and relational
(A) P-1, Q-3, R-4, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2011

61. Consider the following statements regarding body language gestures and expressions:
I. Touching your face or neck reveals discomfort or embarrassment.
II. Lively, sparkling eyes say, "Talk to me, I'm approachable."
III. Looking down conveys submission.
IV. Folding your arms indicates an open, welcoming attitude.
V. Hand and arm movements should be kept smooth and flowing.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2010

62. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): Modern electronic messaging like email leaves out the subtleties and nuances that come with nonverbal cues.
Reason (R): Electronic methods of communicating rely on words almost exclusively.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

63. Consider the following statements regarding the principles of customer relations:
I. Good gestures and niceties are prerequisites for enduring customer relationships.
II. Ethically committed entities affirm their commitment to core business principles.
III. The concept of 'Adequacy' means no attempt is made to hood-wink the shareholders.
IV. Corporate governance strives to ensure fairness, honesty, and transparency.
Which of the above statement(s) is/are correct?
(A) I, II, and IV only
(B) I, II, and III only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2017

64. Read the following case study and answer the question that follows:
Raj, a project manager, was highly frustrated when a vendor missed a deadline. Instead of calling to understand the delay, he immediately drafted and sent a passive-aggressive email threatening to terminate the contract. The vendor did not reply, and the working relationship suffered permanent

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damage.

Which modern communication issue does Raj's behaviour best illustrate?

(A) Communication overload due to excessive digital inputs from various external vendors
(B) Underestimating the audience's strategic skills regarding contract management procedures
(C) Reacting instead of responding and using communication as a weapon against partners
(D) Relying entirely on non-verbal cues and symbolic gestures during project negotiation phases

Oct/Nov 2005

65. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): Communication networks are harder to identify than concrete physical networks like highways and power lines.

Reason (R): Communication networks are comprised of abstract human behaviour over time, rather than concrete physical material.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

66. Read the following case study and answer the question that follows:

A rapidly growing fintech startup prides itself on a culture with zero bureaucracy. The founders refuse to document standard operating procedures or personnel policies, relying entirely on verbal instructions. As the workforce doubles, employees are increasingly confused about their roles and responsibilities.

To resolve this confusion through effective downward communication, which strategy must the startup implement?

(A) Develop basic procedures and provide employee handbooks to clarify organizational goals
(B) Rely solely on the organisational grapevine to distribute critical policy updates to staff
(C) Ensure employees give regular status reports to their supervisors for upward reporting
(D) Initiate Call Centre cross-sectional communication to handle internal customer complaints

Oct/Nov 2015

67. Consider the following statements regarding the Leavitt Experiment:

I. The experiment included 5 people playing a game to find a common symbol.
II. The participants were placed in cubicles with slots and 6 switches.
III. The communication patterns analyzed were circle, chain, wheel, Y, and network.
IV. The experiment was conducted to determine how to establish cross-sectional call centres.

Which of the above statement(s) is/are correct?

(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2013

68. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): As organisations grow, management tends to value downward communication heavily, creating massive reports for staff feedback.

Reason (R): Management often generates systems that produce substantial amounts of raw data focusing on matters of efficiency rather than subordinate engagement.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

69. Read the following case study and answer the question that follows:

Col. Sharma recently retired from the military and

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Oct/Nov 2017

33. What is the greatest advantage of one-to-one communication with staff, peers, and superiors?
(A) It eliminates the need for any written policies or formal documentation within the firm
(B) It allows a manager to gauge reactions immediately and get feedback on specific ideas
(C) It ensures the communication network functions purely on a one-way, top-down basis
(D) It completely removes all emotional and psychological barriers existing between parties

May/June 2016

34. Evaluate the following two statements regarding communication formats:
I. Internal communication helps employees in performing their work and developing a clear sense of organizational mission.
II. External communication strictly flows upwards, downwards, and horizontally within the organizational structure.
(A) Both Statement I and Statement II are true
(B) Statement I is true, but Statement II is false
(C) Statement I is false, but Statement II is true
(D) Both Statement I and Statement II are false

Oct/Nov 2013

35. Match the non-verbal body language cue in List I with its interpretation in List II:
List I: (Non-verbal Cue)
P. Lively, sparkling eyes
Q. Looking away
R. Looking down
S. Folding your arms
List II: (Interpretation)
1. Conveys submission
2. Indicates a closed, defensive attitude
3. Says "Talk to me, I'm approachable"
4. Shows disinterest or deviousness
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-4, R-1, S-3

May/June 2015

36. Consider the following statements about strategies for downward communication:
I. Ensure every employee receives a copy of the strategic plan and an employee handbook.
II. Hold full staff meetings every month to report how the organisation is doing.
III. Ensure all employees give regular status reports to their supervisors.
Which of the above statement(s) represent downward communication strategies?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2012

37. What is the main ingredient of the communication process?
(A) Expression
(B) Precision in hierarchical routing
(C) Technical vocabulary
(D) Speed of transmission

May/June 2011

38. Match the outcome of communication in List I with the corresponding communication system type in List II:
List I: (Outcome)
P. Faster transmission
Q. More accurate transmission
R. Sender feels psychologically under attack
S. Appears neat and efficient to an outside observer
List II: (Communication System)
1. One-way communication
2. Two-way communication
3. Two-way communication
4. One-way communication
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-4, Q-2, R-1, S-3
(D) P-1, Q-2, R-3, S-4

Oct/Nov 2020

39. Evaluate the following two statements regarding communication system conclusions:
I. Receivers are more sure of themselves and make more correct judgments in the two-way system.
II. If a manager wants to protect his power and does not want his mistakes recognised, the two-way communication system is preferable.
(A) Both Statement I and Statement II are true
(B) Statement I is true, but Statement II is false

NODIA

abolished and hidden under the carpet by using strict formal organisational systems.
Reason (R): The grapevine grows out of the social interactions among people who work together in an unstructured manner.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

75. Read the following case study and answer the question that follows:
A rapidly growing fintech startup prides itself on a culture with zero bureaucracy. The founders refuse to document standard operating procedures or personnel policies, relying entirely on verbal instructions. As the workforce doubles, employees are increasingly confused about their roles and responsibilities.
What frequent organisational barrier to effective communication is the startup facing?
(A) Doing what is urgent rather than important due to high stress levels in the firm
(B) Communication overload resulting in cancelled messages at the management level
(C) Faulty translations of technical language between the founders and the developers
(D) A lack of written policies resulting from leaders avoiding formal bureaucratic overhead

May/June 2015

76. Consider the following statements regarding Chester Barnard's guidelines for organisational communication:
I. The channels of communication should be definitely known.
II. The line of communication should be as direct and short as possible.
III. The complete formal line of communication should normally be used.
IV. Every communication should be authenticated.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2012

77. Read the following case study and answer the question that follows:
Anita, an HR Manager at a tech firm, is redesigning the company's internal communication policy. She notices that the senior staff members believe loyalty and interpersonal relationships are paramount, while the newly hired young developers prefer concise communications and seek a smooth integration of work and personal life.
How should Anita adapt the communication style for the younger workforce compared to the traditional employees?
(A) Apply a one-size-fits-all approach focusing heavily on long written manuals for all teams
(B) Emphasize the need for unwavering loyalty and separate personal life from work entirely
(C) Use purely informal grapevine communication without any official channels for new hires
(D) Communicate using brevity and concise formats to avoid unnecessary long explanations

May/June 2011

78. Consider the following statements regarding steps for effective organisational communication:
I. Management must comprehend and fully support high degrees of communication.
II. Effective internal communications start with basic skills in listening, speaking, questioning, and sharing feedback.
III. Asserting oneself when not understanding a communication is a key responsibility.
IV. Communication requires only the transfer of meaning, not the understanding of it.
V. Sound meeting management skills go a long way toward ensuring effective communications.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

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Oct/Nov 2020

79. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): In customer relations, 'Transparency' relates to the degree of openness in the sense that no attempt is made to cover up or hood-wink the shareholders.
Reason (R): 'Consistency' implies that all relevant information is made available by the business and its management to its stakeholders.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

80. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): The Shannon and Weaver Model was widely applied in the field of Technical communication at first.
Reason (R): The model identified "Noise" as a factor which affects the communication process.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

81. Read the following case study and answer the question that follows:
A CEO gives an important verbal directive to the Zonal Manager during a brief meeting. The Zonal Manager calls the Branch Manager, who then verbally relays the instructions to the clerks. Later, the CEO finds that the clerks are largely ignorant of the core rules of the directive.
In such successive oral transmissions, what percentage of the material information is typically lost at each level?
(A) About 10%
(B) About 20%
(C) About 30%
(D) About 50%

NODIA

Oct/Nov 2018

82. Consider the following statements based on conclusions regarding the direction of communication:
I. One-way communication is faster than two-way communication.
II. Two-way communication is more accurate than one-way communication.
III. Receivers are less sure of themselves in a two-way system.
IV. The sender feels psychologically under attack in the two-way system.
V. The two-way method appears neat and efficient to an outside observer.
Which of the above statement(s) is/are correct?
(A) I, II, and IV only
(B) I, II, III, and IV only
(C) II, IV, and V only
(D) I, III, IV, and V only

May/June 2023

83. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): The two-way communication method is relatively noisier and looks more disorderly than the one-way method.
Reason (R): In the two-way system, the sender feels psychologically under attack because receivers pick up his mistakes and oversights.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

84. Read the following case study and answer the question that follows:
Anita, an HR Manager at a tech firm, is redesigning

the company's internal communication policy. She notices that the senior staff members believe loyalty and interpersonal relationships are paramount, while the newly hired young developers prefer concise communications and seek a smooth integration of work and personal life.

The newly hired young developers in Anita's organisation most likely belong to which generation?

(A) Traditional Generation
(B) Baby Boomers
(C) Generation 'Y' (Millennials)
(D) Generation 'X'

May/June 2016

85. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:

Assertion (A): Nonverbal content always accompanies the verbal content of messages, even in written letters showing context.

Reason (R): People can easily stop communicating symbolically and rely entirely on verbal facts without any body language.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

86. Consider the following statements regarding upward communication strategies:

I. Ensure all employees give regular status reports to their supervisors.
II. Use management and staff meetings to solicit feedback.
III. Respect the "grapevine" as a reliable form of communication for employee feelings.
IV. Ensure every employee receives a yearly performance review of their goals.

Which of the above statement(s) correctly represent upward communication strategies?

(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2012

87. Read the following case study and answer the question that follows:

Raj, a project manager, was highly frustrated when a vendor missed a deadline. Instead of calling to understand the delay, he immediately drafted and sent a passive-aggressive email.

What is the fundamental cause of miscommunication in electronic messages as seen in Raj's case?

(A) The vendor lacked the technical ability to decode the email transmission properly
(B) Electronic messages rely on words, removing nonverbal nuances that aid understanding
(C) The email channel is inherently a two-way system that invites psychological attacks
(D) Raj assumed the vendor was a master of business planning and needed no direction

Oct/Nov 2014

88. Consider the following statements regarding generational communication traits:

I. The traditional Generation views work as the central focus of life.
II. Baby Boomers view life with a strong work component.
III. Generation 'X' seeks a clear balance between work and life.
IV. Generation 'Y' views work and personal life as a smooth integration.
V. Millennials require long, detailed explanations rather than brevity.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2019

89. Read the following case study and answer the question that follows:

Col. Sharma recently retired from the military and joined a corporate bank as a department head. Accustomed to military protocol, he issues direct orders via email and discourages subordinates from asking for clarifications or suggesting modifications.

Which assumption from his military background is Col. Sharma applying to the corporate formal communication?

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25. (B) People communicate symbolically through physical appearance, possessions, or body language

Virginia Satir emphasized that human interaction extends far beyond verbal exchanges. She pointed out that individuals communicate symbolically through various nonverbal means, including their physical appearance, the possessions they choose to surround themselves with, and their body language. These symbolic elements provide constant information to others about an individual's status, personality, and intentions, even when no words are spoken.

26. (D) When the volume of incoming information exceeds an individual's psychological capacity to process and absorb it

Communication overload is a significant barrier in modern organizational life. It occurs when the total volume of incoming information, including emails, meetings, and reports, surpasses an individual's psychological capacity to effectively process and absorb the data. This state often leads to stress, errors, and the cancellation of messages, as the person becomes unable to prioritize or respond to every input.

27. (A) Grapevine

The Shannon and Weaver Model of Communication is a technical framework that identifies key components of the transmission process. These elements include the information source, transmitter, channel, receiver, and noise. While the model is highly effective at explaining the mechanical aspects of message delivery, it does not address informal social networks or the concept of the grapevine within an organization.

28. (A) Technical communication

The Shannon and Weaver Model was originally developed in the late 1940s to improve the efficiency and reliability of technical communication. Developed by engineers for the Bell Telephone Laboratories, the model focused on the mathematical and mechanical aspects of signal transmission. It was designed to identify how to transmit messages across electronic channels with minimal distortion from environmental noise factors.

29. (C) Pre-occupation of the mind of the sender creates a barrier known as inattention

Inattention is a psychological barrier to effective communication that occurs when an individual is too preoccupied to listen properly. However, this barrier is specifically defined by the pre-occupation of the mind of the receiver, not the sender. When a receiver is distracted or disinterested, they fail to absorb the message correctly, leading to significant misunderstandings and a breakdown in dialogue.

30. (D) All relevant information is made available by the management to its various stakeholders

The principle of adequacy in customer relations refers to the comprehensive nature of organizational transparency. It implies that management ensures all relevant information is made available to its various stakeholders, including shareholders and customers. By providing complete and sufficient data, the organization allows these parties to make informed decisions and fosters a relationship built on trust and ethical business practices.

31. (A) V, III, II, I, IV

The Shannon and Weaver model describes a linear progression of information from source to destination. The process begins with the sender who initiates the message. This information is then converted by an encoder and transmitted through a specific channel. Finally, the decoder translates the signal back into a readable format for the receiver to understand at the final destination point.

32. (B) Horizontal communication – Directives from Central office to Zonal office

Communication direction is categorized based on the hierarchical relationship between the sender and the receiver. Directives moving from a Central office down to a Zonal office represent a vertical, downward flow of information, not horizontal communication. Horizontal communication instead refers to exchanges between individuals or departments at the same organizational level, such as peer managers coordinating tasks across different functions.

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(C) Vague and un-clarified assumptions
(D) Badly expressed messages

May/June 2018

95. Read the following case study and answer the question that follows:
During an important sales pitch to a major corporate client, the account manager folds his arms tightly around himself and frequently looks down while speaking. The client feels the manager is unapproachable and submissive, ultimately rejecting the proposal.
According to the principles of body language, what does folding the arms indicate?
(A) A defensive attitude that makes one appear unapproachable to others
(B) A highly persuasive and confident stance used in high-level negotiations
(C) Extreme comfort and relaxation in a formal professional environment
(D) A sign of active listening and empathy during a client presentation

Oct/Nov 2016

96. Read the following case study and answer the question that follows:
A reputed bank launches a complex mutual fund product. In all their advertisements and prospectuses, they clearly disclose all associated risks.
If the bank also ensures that all relevant information is comprehensively made available so investors can make a fair assessment, which principle is being fulfilled?
(A) Consistency within the organization's messaging across different marketing platforms
(B) Provision of all relevant facts to ensure stakeholders are adequately informed
(C) Translucency in the disclosure of financial assets to regulatory government bodies
(D) Informal relations with high-net-worth individuals to maintain market stability

May/June 2014

97. Read the following case study and answer the question that follows:
In a large logistics company, there is constant real-time interaction between the Sales department and the Dispatch department.
In the context of organisational channels, what modern initiative by banks best demonstrates this type of communication?
(A) Call Centre initiatives
(B) Annual general meetings
(C) Branch manager conferences
(D) Union-Management meetings

Oct/Nov 2007

98. Read the following case study and answer the question that follows:
During an important sales pitch to a major corporate client, the account manager folds his arms tightly around himself and frequently looks down while speaking.
What does looking down convey to the client in this scenario?
(A) Aggression
(B) Submission
(C) Disinterest or deviousness
(D) Approachability

May/June 2025

99. Read the following case study and answer the question that follows:
Mr. Gupta, a Senior Vice President, receives over 300 emails, numerous WhatsApp messages, and internal memos daily. Unable to process all of it, he starts ignoring and cancelling lowest-priority messages.
Which management assumption often exacerbates this specific barrier?
(A) The assumption that written policies are mere bureaucracy that hinders quick growth
(B) The assumption that because leaders are aware of information, everyone else is too
(C) The assumption that the grapevine is the most reliable channel for technical data
(D) The assumption that doing urgent tasks is always better than doing important tasks

Oct/Nov 2019

100. Read the following case study and answer the question that follows:
A Zonal Manager is highly indecisive due to a fear of insecurity. He routinely pushes paperwork down the hierarchy to the Branch Managers with vague or completely absent instructions.
What is the direct consequence for the receiver (Branch Manager) when the communication lacks clear assumptions?
(A) The receiver executes the task flawlessly using the organizational grapevine
(B) The receiver feels psychologically under

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was that organizations functioned like mechanical systems. Within this framework, individual employees were viewed as interchangeable parts rather than unique individuals. This perspective emphasized efficiency and structural uniformity, often overlooking the complex psychological and social dynamics that influence human interaction.

9. (B) Reacting instead of responding involves pausing to reflect on all facts rather than yielding to anger
Modern communication challenges often involve behavioral choices that impact professional relationships. Reacting involves an impulsive, often emotional reply to a situation without sufficient thought. In contrast, responding requires a conscious pause to reflect on facts and maintain composure. The statement provided incorrectly defines reacting by attributing the positive qualities of reflection and emotional control to it rather than responding.

10. (C) 50 percent
The rise of digital interaction has introduced significant challenges regarding the clarity of messages. Research into modern electronic communication indicates that a substantial portion of online exchanges is misinterpreted by the recipient. Specifically, approximately fifty percent of all online communication is misunderstood, largely due to the absence of nonverbal cues and the lack of tonal clarity in text.

11. (D) Dependency
Effective customer relations within a business organization are built upon several foundational principles that ensure ethical conduct and clarity. These cardinal principles include adequacy of information, transparency in operations, and consistency in messaging. While these elements foster trust and reliability between the firm and its clients, the concept of dependency is not considered one of these core principles for communication.

12. (C) Miscommunication means the message received differs from the intent, while failure means no meaningful message is exchanged
Distinguishing between different types of communication problems is essential for organizational clarity. Miscommunication occurs when a message is successfully transmitted, but the receiver interprets it in a way that differs from the sender's original intent. In contrast, communication failure refers to a situation where no meaningful information is exchanged at all, resulting in a total breakdown of the process.

13. (A) How employees are rewarded
Henri Fayol developed a comprehensive theory of administration that included several sets of principles to guide organizational management. One of these critical sets focuses on the methods used to reward employees for their labor. Fayol emphasized that compensation should be fair and provide satisfaction to both the staff and the firm, as this directly impacts motivation and organizational stability.

14. (C) It is relatively noisier and looks more disorderly
Two-way communication involves a continuous exchange of information and feedback between the sender and the receiver. Because this system allows for questions, clarifications, and even disagreements, it often appears noisier and more disorderly than a strictly one-way approach. However, this interactive process typically results in greater accuracy and higher levels of confidence among those involved in the communication.

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15. (D) The line of communication must be occasionally interrupted to test organisational resilience
Chester Barnard provided several specific guidelines to ensure that communication remains effective within an organization. He argued that channels must be clearly known, lines of communication should be as short and direct as possible, and every message must be authenticated. He did not, however, suggest that these lines should be intentionally interrupted to test the resilience of the system.

16. (A) Communication about non-spoken cues that reveals the nature of a relationship
Meta-communication refers to the underlying layer of interaction that occurs alongside the literal meaning of words. It involves communication about the non-spoken cues, such as tone of voice and body language, which provides context for the relationship between the

ANSWERS

1. (C) 30%
In the context of verbal exchanges within an organizational hierarchy, successive transmissions often lead to a significant depletion of the original message content. Research indicates that during oral communications, approximately thirty percent of material information is lost at each step of the process. This progressive erosion underscores the risks associated with relying solely on verbal instructions for critical tasks.

2. (C) Confident people make more frequent eye contact than people who are unsure
Nonverbal cues play a vital role in professional interactions, revealing much about an individual's psychological state. Eye contact serves as a primary indicator of self-assurance and reliability in business settings. Generally, individuals possessing high levels of confidence tend to maintain more frequent eye contact, whereas those feeling uncertain or hesitant often look away during the course of a conversation.

3. (C) Communication where information flows through predefined channels following an established hierarchical chain
Formal communication is defined by its adherence to the structural framework of an organization. In this system, information moves through officially sanctioned paths that align with the established hierarchy. This ensures that directives and reports reach the appropriate levels of management and staff according to predefined protocols, maintaining order, authority, and accountability within the corporate environment at all times.

4. (C) The traditional view is that life has a strong work component, while Boomers see work as the focus
Human Resources must acknowledge that different generations hold distinct perspectives regarding the relationship between professional and personal life. The traditional generation typically views life as having a strong work component, whereas Baby Boomers often see work as the central focus of existence. Misidentifying these foundational values can lead to significant misunderstandings when managing a diverse and multigenerational workforce.

5. (B) Work and personal life should be a smooth integration
Members of Generation Y, often referred to as Millennials, approach the concept of professional employment with a unique perspective on lifestyle. Unlike previous generations that sought a strict separation or a simple balance between their professional duties and personal time, these individuals desire a smooth integration where both aspects of life coexist harmoniously without any rigid or artificial boundaries.

6. (B) Matrix
Harold J. Leavitt identified several distinct communication patterns that describe how information flows within groups. These patterns include the circle, the chain, the wheel, and the Y-shaped configuration. While these models help analyze the efficiency and speed of message transmission, the term matrix is not classified as one of the specific patterns described in Leavitt's foundational research.

7. (B) The multidimensional study of various communicative symbols, networks, and discourses within an organizational context
Organisational communication is a complex field that extends beyond simple message transmission. It involves the multidimensional study of how various symbols, networks, and discourses function within a corporate environment. This discipline examines how communication shapes the reality of the organization, influencing everything from internal culture and employee relationships to the overall strategic direction and external reputation of the firm.

8. (B) Organisations are mechanical things where employees function as interchangeable parts
Early research into organizational communication was heavily influenced by classical management theories. A primary assumption during this period

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attack by the Zonal Manager's actions

(C) The receiver automatically assumes the authority of the Zonal Manager's role

(D) The receiver becomes confused, causing the communication to fail its purpose

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parties. Understanding these meta-messages is crucial for accurately interpreting the speaker's true intent and the emotional state involved.

17. (A) The participants were placed in open rooms to observe their face-to-face body language
The Leavitt Experiment was a controlled study designed to analyze communication patterns rather than face-to-face interaction. Participants were specifically isolated in cubicles equipped with slots and switches to exchange information, rather than being placed in open rooms. This setup allowed researchers to isolate the effects of different network structures on group problem-solving efficiency and participant satisfaction during the task.

18. (B) 1950
Harold J. Leavitt conducted influential research into the nature of communication patterns and their impact on group dynamics. His findings, which described various types of networks such as the circle, chain, wheel, and Y-shaped configurations, were published in 1950. This work laid the foundation for much of the subsequent study into organizational structure and the efficiency of information flow.

19. (D) Use staff meetings to solicit feedback and act on it
Upward communication is essential for management to understand the needs and sentiments of the workforce. An effective strategy to support this flow involves utilizing staff meetings as a platform for soliciting honest feedback. For this process to be successful and credible, management must demonstrate a willingness to listen to these employee suggestions and take visible actions based on the input.

20. (A) Learning organisation and systems thinking
Peter Senge is a prominent theorist known for his significant contributions to the field of organizational development. He developed the concepts of the learning organization and systems thinking, emphasizing the importance of collective learning and understanding the interconnectedness of various organizational components. His work suggests that organizations must continuously adapt and learn to remain competitive in a rapidly changing environment.

21. (C) Using hands for emphasis with smooth and flowing movements
Effective body language requires conscious control over physical movements to avoid sending negative signals. Fidgeting, scratching, wringing hands, and placing them in pockets are generally behaviors to be avoided in professional settings. In contrast, using hands for emphasis with smooth and flowing movements is a positive trait that enhances communication and should not be avoided by a speaker.

22. (D) 7%
Research into human interaction suggests that the literal meaning of words constitutes only a small fraction of the total message received. While body language and vocal tone convey the majority of information, the actual words used account for only seven percent of communication effectiveness. This finding highlights the critical importance of nonverbal cues in ensuring that a message is correctly interpreted.

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23. (D) As the force making the organization a cooperative system by linking purpose to human participants
Chester Barnard viewed communication as the vital element that transforms a collection of individuals into a functional organization. He argued that communication serves as the force making the organization a cooperative system by effectively linking the overall organizational purpose to the human participants. Without clear and functioning communication channels, the coordination required for achieving collective goals would be impossible to maintain.

24. (D) It is a downward flow of instructions from superiors across different departments
Cross-sectional communication involves the exchange of information between different departments at similar levels of the hierarchy, such as Sales and Dispatch. This horizontal flow is designed to foster coordination and improve customer service through peer interaction. It is not characterized as a downward flow of instructions from superiors, which instead falls under the category of traditional vertical communication.

(A) Subordinates should initiate two-way exchanges frequently to ensure organizational clarity
(B) The superior manages the message and subordinates should follow orders without question
(C) Messages from subordinates are more important than directives regarding departmental policy
(D) The grapevine is the most effective way to transmit orders across a large corporate structure

Oct/Nov 2006

90. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer using the codes given below:
Assertion (A): In traditional military organisations, formal communication proceeds from superior to subordinate as a one-way exchange.
Reason (R): Messages from superiors are considered to be more important than those from subordinates, keeping downward channels free.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

91. Read the following case study and answer the question that follows:
In a large logistics company, there is constant real-time interaction between the Sales department and the Dispatch department. This coordination is critical to ensure better customer service and timely delivery of goods, fostering better inter-personal relationships among peers.
What type of communication is primarily occurring between these two peer departments?
(A) Downward communication within a hierarchical chain
(B) Cross-sectional communication between peer departments
(C) Upward communication from subordinates to managers
(D) Informal grapevine communication through social links

Oct/Nov 2010

92. Read the following case study and answer the question that follows:
Mr. Gupta, a Senior Vice President, receives over 300 emails, numerous WhatsApp messages, and internal memos daily. Unable to process all of it, he starts ignoring and cancelling lowest-priority messages entirely, causing critical delays in lower-level operations.
What specific barrier to organisational communication is Mr. Gupta experiencing?
(A) Faulty Translations
(B) Dis-trust of communicator
(C) Communication overload
(D) Vague and un-clarified assumptions

May/June 2005

93. Read the following case study and answer the question that follows:
A reputed bank launches a complex mutual fund product. In all their advertisements and prospectuses, they clearly disclose all associated risks. The management ensures that no attempt is made to hood-wink the potential investors, maintaining complete openness about the fund's vulnerabilities.
Which cardinal principle of customer relations is explicitly demonstrated by the bank's refusal to hood-wink the investors?
(A) Adequacy
(B) Consistency
(C) Hierarchy
(D) Transparency

Oct/Nov 2022

94. Read the following case study and answer the question that follows:
A Zonal Manager is highly indecisive due to a fear of insecurity. He routinely pushes paperwork down the hierarchy to the Branch Managers with vague or completely absent instructions. The Branch Managers are left in a dilemma about how to execute the tasks.
Which specific barrier to effective communication does this situation directly illustrate?
(A) Loss by transmission
(B) Faulty translations

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33. (B) It allows a manager to gauge reactions immediately and get feedback on specific ideas
One-to-one communication offers a unique advantage in a professional setting by providing an immediate feedback loop. This direct interaction allows a manager to gauge the other person's reactions in real-time, observing both verbal responses and nonverbal cues. Such immediate feedback is invaluable for clarifying instructions, addressing concerns on the spot, and ensuring that ideas are understood as intended.

34. (B) Statement I is true, but Statement II is false
Internal communication is essential for helping employees perform their duties and understand the organizational mission. However, external communication is not restricted to vertical or horizontal flows within the internal structure. Instead, external communication involves the exchange of information between the organization and external entities, such as customers, suppliers, and the general public, to manage the firm's outward-facing relationships.

35. (A) P-3, Q-4, R-1, S-2
Body language provides critical insights into a person's receptiveness and attitude during interpersonal interactions. Sparkling eyes signal approachability, while looking away suggests a lack of interest or devious intent. Conversely, looking down typically indicates a submissive posture, whereas folding arms represents a defensive or closed attitude. Proper interpretation of these cues is essential for understanding unspoken professional dynamics and relationship nuances.

36. (A) I and II only
Downward communication consists of information flowing from higher levels of the hierarchy to subordinates. Strategies such as distributing strategic plans and employee handbooks, or holding monthly full-staff meetings to report on organizational performance, are classic examples of this direction. Collecting status reports from employees, however, represents an upward flow of information, as the data moves from subordinates toward management.

37. (A) Expression
The fundamental goal of any communication process is the successful transfer of meaning from one individual to another. Expression serves as the main ingredient of this process, as it encompasses the various ways in which thoughts, feelings, and data are formulated and shared. Without the ability to express ideas clearly through words or symbols, the act of communication cannot effectively occur.

38. (D) P-1, Q-2, R-3, S-4
One-way and two-way communication systems produce different outcomes in an organizational setting. One-way communication is characterized by faster transmission and a neat, efficient appearance to outsiders. Two-way communication, while more accurate, can make the sender feel psychologically under attack due to feedback and questioning. Understanding these differences allows managers to choose the most appropriate method based on the specific goals of the interaction.

39. (B) Statement I is true, but Statement II is false
A two-way communication system encourages feedback, which leads to higher accuracy and greater self-assurance among receivers. However, this system is not preferable for a manager who wishes to protect their power or hide mistakes. Because two-way communication exposes oversights through questioning and dialogue, managers seeking to avoid accountability or maintain absolute control generally prefer a one-way communication approach.

40. (D) P-2, Q-1, R-4, S-3
Organizational communication theory is shaped by several key contributors. Harold Leavitt identified various communication networks, while Peter Senge introduced the concept of learning organizations through systems thinking. Henri Fayol established principles for managing power and structure, whereas Chester Barnard focused on formal guidelines, emphasizing the importance of known channels and competent centers to ensure effective cooperation within a system.

41. (A) I and II only
Communication within a hierarchy often suffers from information loss and poor retention. In oral transmissions, approximately thirty percent of material information is typically lost at each stage. Furthermore, research indicates that while

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CHAPTER 09
Human Resource Functions

May/June 2016

1. Which manpower forecasting technique involves estimates from a group of experts where HRP experts act as intermediaries and summarize requirements based on a qualitative assessment?
(A) Work Study Techniques
(B) Management Judgment
(C) Past Ratios Analysis
(D) Delphi Techniques

Oct/Nov 2009

2. Identify the correct statement regarding attrition in the BPO sector.
(A) The R&D activities in the BPO sector have an attrition rate of nearly 50%.
(B) Attrition is lowest in traditional customer service jobs.
(C) The service-laden BPO and KPO industry have the highest attrition rates.
(D) The industry primarily employs senior, highly experienced individuals nearing retirement.

May/June 2023

3. How is the process of picking up individuals with requisite qualifications and competence to fill jobs in the organisation, out of the pool of job applicants, defined?
(A) Sourcing
(B) Recruitment
(C) Selection
(D) Screening

Oct/Nov 2018

4. Which of the following is an INCORRECT provision typically found in a Social Media Policy for organisations?
(A) Content pertaining to sensitive/confidential information of the company should not be shared.
(B) Proper copyright and reference laws should be observed by employees when posting online.
(C) Employees are allowed to use the company logo on any social media platform without prior approval.
(D) Employees must clearly brand their online posts as personal when associating themselves with the company.

May/June 2007

5. Why is selection considered negative in its application compared to recruitment?
(A) It generates a massive volume of unqualified applications.
(B) It eliminates unsuitable candidates to find the best talent.
(C) It prioritizes internal talent over potentially better external hires.
(D) It significantly reduces the organization's total wage budget.

Oct/Nov 2025

6. Which of the following is NOT a disadvantage of Incentive Based Compensation?
(A) Tendency to bypass quality in pursuit of increased output.
(B) Reduction of fixed costs for the company.
(C) Employees may disregard security regulations.
(D) Overworking may affect employee health.

May/June 2012

7. What is the process by which an organisation ensures that it has the right number and kind of people at the right place, at the right time, capable of effectively completing those tasks that will help the organisation achieve its overall objectives?
(A) Recruitment and Selection
(B) Human Resource Planning (HRP)
(C) Employer Branding
(D) Strategic Compensation

Oct/Nov 2014

8. Identify the correct statement regarding internal recruitment.
(A) It is considered a more costly method compared to external recruitment.

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or listening less, accurately describe modern communication problems.

50. (C) P-4, Q-3, R-1, S-2
Ethical customer relations rely on specific cardinal principles. Adequacy ensures that all stakeholders have access to necessary information, while transparency prevents any attempts to deceive shareholders. Consistency requires that everyone in the organization remains on the same wavelength regarding messaging. Finally, accountability establishes the right of stakeholders to hold the business responsible for its various actions and outcomes within the market.

51. (A) I and II only
Henri Fayol's administrative theory focuses on the structural and managerial aspects of an organization. His principles explain how an organization should be designed and how managers should appropriately handle their power to maintain order. However, his work predates the Shannon and Weaver model and does not specifically address the elimination of the noise factor described in that technical framework.

52. (D) II, I, III
Organizational communication research has evolved through distinct focal points over the decades. In the 1950s, the focus was primarily on improving organizational life and output. By the 1980s, scholars began exploring how communication could be used to oppress or liberate members. Finally, the 1990s saw a shift toward understanding the constitutive role of communication in defining all organizational activities.

53. (C) P-2, Q-1, R-4, S-3
Communication flows in organizations follow distinct patterns based on hierarchy and function. Downward communication involves sending directives from superiors to subordinates, while upward communication typically includes reports or complaints moving toward management. Informal communication, such as the grapevine, carries unofficial news. Cross-sectional communication allows peer departments, like sales and dispatch, to coordinate efforts effectively for improved overall customer service.

54. (B) Statement I is true, but Statement II is false
Communication failure is correctly defined as a situation where no meaningful information is successfully exchanged between parties. However, miscommunication does not mean the message was received exactly as intended. On the contrary, miscommunication occurs specifically when the message interpreted by the receiver differs from the original intent of the sender, leading to errors and a lack of organizational alignment.

55. (A) Bavelas – Impact of communication networks on group task completion
Research by Bavelas focused on the significant impact that different communication network structures have on a group's ability to complete tasks efficiently. This work explored how the arrangement of communication channels affects speed, accuracy, and member satisfaction. Other theorists like Peter Senge and Virginia Satir focused on learning organizations and nonverbal symbolic communication, respectively, rather than the Shannon-Weaver noise model.

56. (A) The emotions of the receiver
Interpersonal communication is heavily influenced by psychological factors that can distort the intended message. The emotions of the receiver play a critical role in how they perceive the meta-message, or the underlying meaning, of a communication. If a receiver is experiencing hostility or distrust, they may interpret the sender's words through a negative lens, creating a significant emotional barrier.

57. (C) I and III only
Early organizational communication research was built on the assumption that individuals behave rationally and that organizations operate as mechanical systems where employees are interchangeable parts. However, the idea that distortion in these processes cannot be identified or reduced is incorrect. Classical theories believed that by refining the formal structure and channels, management could minimize communication breakdowns and improve overall efficiency.

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58. (A) P-3, Q-1, R-2, S-4
Effective communication can be hindered by various specific barriers. Badly expressed messages suffer from a lack of clarity and precision, while inattention occurs when the receiver is too preoccupied to listen. Faulty translations happen when specialized language is misunderstood by those implementing the tasks. Finally, an un-conducive organizational climate, characterized by a lack of trust, creates a general environment of poor communication.

59. (D) Both Statement I and Statement II are false
Informal communication is not structured by formal systems; instead, it arises spontaneously from social interactions among employees. Furthermore, the grapevine cannot be completely abolished or stopped through strict rules, as it is a natural human response to a shared environment. Management must learn to manage and respect these informal channels rather than attempting to hide or eliminate them.

60. (B) P-3, Q-1, R-2, S-4
Organizational messaging is categorized by its direction and purpose. Formal communication follows established hierarchical chains, whereas internal communication often utilizes digital tools for multi-directional exchange among employees. External communication involves interacting with parties outside the firm. Informal communication flows rapidly without structural restraints, often serving relational needs and providing early information about upcoming events through unstructured social interactions.

61. (A) I, II, III, and V only
Body language involves various gestures that convey significant emotional information. Touching the face or neck often indicates discomfort, while sparkling eyes suggest approachability. Looking down is a sign of submission, and smooth hand movements are ideal for emphasis. However, folding arms is widely recognized as a sign of a closed or defensive attitude, rather than a welcoming or open one.

62. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Electronic communication methods, such as email and text messaging, are often prone to misunderstanding because they lack the nonverbal cues found in face-to-face interaction. Since these digital formats rely almost exclusively on written words, they cannot transmit the subtleties of tone, facial expression, and body language. Consequently, the absence of these nuances makes it difficult to interpret intent accurately.

63. (A) I, II, and IV only
Strong customer relations are built on a foundation of ethical conduct, transparency, and polite interaction. Committed entities uphold core business principles to ensure fairness and honesty. While adequacy is a cardinal principle, it specifically means providing all relevant information to stakeholders, whereas the concept of not hood-winking shareholders is more accurately described as transparency. Corporate governance further ensures these standards are maintained.

64. (C) Reacting instead of responding and using communication as a weapon against partners
In professional environments, reacting impulsively to setbacks often results in aggressive communication that damages long-term partnerships. By sending a threatening email instead of seeking clarification, a manager prioritizes emotional venting over constructive dialogue. This behavior illustrates the pitfall of reacting rather than responding, where digital tools are used as weapons, ultimately undermining collaboration and trust with external business partners.

65. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Identifying communication networks within an organization is more challenging than observing physical infrastructure like roads or power lines. This difficulty exists because communication networks are comprised of abstract patterns of human behavior and interaction over time. Unlike concrete materials, these social linkages are intangible and must be inferred from

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the recurring communicative activities and relationships among the organization's members.

66. (A) Develop basic procedures and provide employee handbooks to clarify organizational goals
To resolve confusion in a growing organization, management must implement effective downward communication strategies. Providing written documentation, such as standard operating procedures and employee handbooks, is essential for clarifying organizational goals and individual responsibilities. Relying solely on verbal instructions or the grapevine is insufficient as the workforce expands, as these methods lack the permanence and authority required.

67. (A) I, II, and III only
The Leavitt Experiment utilized a specific methodology to study how information flows within groups. Participants were isolated in cubicles using switches to identify common symbols, allowing for the analysis of patterns like the circle, wheel, and Y. The study was not designed to establish call centers, but rather to understand the efficiency and psychological effects of different communication network structures.

68. (D) Assertion (A) is false, but Reason (R) is true
While management in growing organizations often produces voluminous reports, these documents are typically focused on maintaining efficiency and control rather than soliciting engagement or feedback from subordinates. Therefore, the assertion that management values downward communication specifically for the purpose of receiving staff feedback is generally false. Instead, these systems prioritize the transmission of raw data and operational directives.

69. (A) The process will appear fast, but receivers may be less sure of themselves
One-way communication, characterized by direct orders without opportunity for clarification, is typically faster and appears more efficient to outside observers. However, this method often leaves the receivers feeling less certain about their tasks and judgments. Without the feedback loop found in two-way systems, accuracy may suffer, even though the sender feels protected from psychological attacks regarding their mistakes.

70. (A) I, II, III, and IV only
Barriers to effective organizational communication include badly expressed messages, faulty translations of technical language, and information loss during transmission. Emotional barriers also play a significant role by creating hostility between parties. While noise is a major factor, it is not solely psychological; it also includes physical disturbances or problems with the instruments and media used to transmit the message.

71. (C) 40%
Successive verbal transmissions through multiple levels of an organizational hierarchy lead to a significant erosion of the original message. Research indicates that information retention drops drastically as it moves downward from the CEO to general employees. By the time a directive reaches the clerical level through several oral relays, the staff members typically retain only about forty percent of the information.

72. (B) I, III, and IV only
Modern communication is significantly impacted by the limitations of electronic media. Digital messages lack nonverbal nuances and can be misused as passive-aggressive weapons. Furthermore, reacting impulsively without reflection often leads to misunderstandings. However, communication overload cannot be effectively managed by adopting one-way military protocols, as such systems lack the feedback loops necessary for resolving complex information challenges in modern firms.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Psychological traits and emotions create a meta-message that significantly influences interpersonal communication. When hostility exists between the sender and the receiver, they tend to view the exchange through a negative lens. This emotional barrier prevents the parties from reaching a full understanding, often resulting in half-way results where the true intent of the communication is lost or distorted.

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74. (D) Assertion (A) is false, but Reason (R) is true.
The grapevine is a natural byproduct of social interaction among employees and cannot be abolished or hidden by strict management rules. It grows spontaneously whenever people work together in an unstructured manner. Because it fulfills human social needs and provides an alternative channel for information, any attempt by an organization to completely eliminate the grapevine through formal systems is destined to fail.

75. (D) A lack of written policies resulting from leaders avoiding formal bureaucratic overhead
Growing organizations often face significant communication barriers when leadership avoids formal documentation. By refusing to establish written policies and standard procedures to avoid bureaucracy, founders create an environment of uncertainty. This lack of clear, permanent records for roles and responsibilities leads to widespread confusion among the workforce, illustrating how the absence of formal downward communication hinders organizational effectiveness.

76. (D) I, II, III, and IV
Chester Barnard established several essential guidelines to ensure that organizational communication remains effective and reliable. These include ensuring that channels are definitely known, keeping lines of communication short and direct, and requiring that the complete formal line be used. Additionally, every communication must be authenticated to maintain authority and trust within the system, ensuring that participants can confidently follow directives.

77. (D) Communicate using brevity and concise formats to avoid unnecessary long explanations
Managing a multigenerational workforce requires adapting communication styles to meet the preferences of different groups. While traditional employees may value long-term loyalty and detailed interactions, younger workers, such as those in Generation Y, typically prefer brevity and conciseness. For these individuals, effective communication should be direct and formatted to avoid unnecessary explanations, respecting their desire for efficiency and integration.

78. (A) I, II, III, and V only
Effective organizational communication requires management support and foundational skills in listening and feedback. Employees must also take responsibility by asserting themselves when they do not understand a message. While the transfer of meaning is important, communication truly succeeds only when understanding is also achieved. Additionally, sound meeting management is a vital skill for ensuring that internal communications are productive.

79. (C) Assertion (A) is true, but Reason (R) is false.
Transparency in customer relations refers to the degree of openness an organization maintains, ensuring no attempts are made to deceive shareholders. However, the reason provided incorrectly defines consistency. The act of making all relevant information available to stakeholders is actually the definition of adequacy. Consistency, instead, refers to all members of the organization communicating on the same wavelength or message.

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80. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
The Shannon and Weaver Model was initially applied to technical communication because it was designed by engineers to improve signal transmission. While the model correctly identifies noise as a factor affecting the process, this identification is a feature of the model rather than the primary reason for its initial application. The model's technical focus made it inherently suitable for engineering fields.

81. (C) About 30%
In organizational hierarchies, oral communication is particularly vulnerable to information degradation during transmission. As a message is passed from one individual to another, parts of the original content are inevitably lost or altered. Research suggests that approximately thirty percent of the material information is lost at each level of transmission, making multi-level verbal directives highly unreliable for maintaining accuracy.

82. (A) I, II, and IV only
Communication systems vary in their efficiency and psychological impact. One-

way communication is faster, while two-way communication is more accurate but can make the sender feel psychologically under attack due to feedback. In a two-way system, receivers feel more sure of themselves, not less. Furthermore, the one-way method, rather than the two-way method, appears more neat and efficient to an outside observer.

83. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Two-way communication systems are inherently noisier and appear more disorderly because they involve active feedback and questioning. This process often causes the sender to feel psychologically vulnerable, as mistakes and oversights are more likely to be identified by the receivers. While both statements are true, the disorderliness of the system is caused by the interactive exchange, not the sender's feelings.

84. (C) Generation 'Y' (Millennials)
Generation Y, frequently referred to as Millennials, is characterized by a specific set of workplace preferences and values. These individuals tend to seek a smooth integration between their professional duties and personal lives, rather than a strict separation. They also generally prefer concise communication styles and place a high value on meaningful work and flexible environments compared to the more traditional generations.

85. (C) Assertion (A) is true, but Reason (R) is false.
Nonverbal content is an ever-present element of human interaction, providing context even in written forms of communication. People cannot simply stop communicating symbolically, as their choices in language, timing, and presentation always convey additional meaning beyond literal facts. Body language and symbolic gestures are inherent to the way humans share information and cannot be entirely removed from the communication process.

86. (A) I, II, and III only
Upward communication strategies are designed to move information from subordinates to management. Effective methods include requiring regular status reports, using meetings to solicit feedback, and respecting the grapevine as a source of employee sentiment. Annual performance reviews, however, are typically a downward communication tool used by managers to provide feedback to employees regarding their goals and overall professional performance.

87. (B) Electronic messages rely on words, removing nonverbal nuances that aid understanding
Miscommunication in digital environments frequently stems from the inherent limitations of the medium. Electronic messages like emails focus almost entirely on text, which eliminates the vital nonverbal cues and tonal subtleties found in face-to-face interactions. Without these nuances, recipients may misinterpret the sender's intent, leading to emotional conflict or professional misunderstandings that could be avoided with richer communication.

88. (A) I, II, III, and IV only
Generational traits provide a framework for understanding different workplace values. Traditionalists often focus on work, while Boomers view life with a strong work component. Generation X seeks work-life balance, and Millennials prefer integration. However, the claim that Millennials require long explanations is incorrect; they typically favor brevity and concise communication formats to manage the high volume of information they encounter.

89. (B) The superior manages the message and subordinates should follow orders without question
In traditional military communication models, a strict downward hierarchy is maintained where the superior holds total control over the message. This approach assumes that the primary responsibility of subordinates is to follow orders without seeking clarification or suggesting changes. Applying this rigid one-way system in a corporate environment can stifle feedback and prevent the accurate transmission of complex information.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Military organizations often utilize a strictly downward communication flow to ensure that commands are executed efficiently. In these systems, messages from superiors are prioritized,

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and the channels are kept clear of subordinate input to prevent delays. This one-way exchange is based on the assumption that directives from the top are more critical than any feedback or suggestions from below.

91. (B) Cross-sectional communication between peer departments
Cross-sectional communication occurs when different departments at similar organizational levels interact to coordinate their activities. This type of communication is essential in logistics, where real-time coordination between Sales and Dispatch ensures that customer needs are met efficiently. This peer-to-peer exchange bypasses the traditional vertical hierarchy, fostering better interpersonal relationships and more responsive operations within the organization's functional structure.

92. (C) Communication overload
Communication overload occurs when the sheer volume of incoming information, such as emails and memos, exceeds an individual's capacity to process it. In this scenario, the manager begins to ignore or cancel lower-priority messages to cope with the influx. This barrier often results in critical operational delays, as important information may be lost or neglected due to the inability to manage the data.

93. (D) Transparency
Transparency is a cardinal principle of customer relations that emphasizes openness and honesty in all organizational dealings. It specifically involves the refusal to hood-wink or deceive stakeholders, ensuring that potential risks and vulnerabilities are clearly disclosed. By maintaining this level of honesty, a business builds long-term trust and demonstrates an ethical commitment to its investors and the broader market.

94. (C) Vague and un-clarified assumptions
When managers push tasks down the hierarchy without providing clear context or instructions, they create a barrier known as vague and un-clarified assumptions. This lack of detail leaves the receiver in a dilemma, as they are forced to guess the intended goals and methods. Such ambiguity inevitably leads to confusion and execution errors, as the communication fails to provide a solid foundation for action.

95. (A) A defensive attitude that makes one appear unapproachable to others
Body language gestures like folding one's arms are often interpreted as signs of a defensive or closed attitude. In a professional setting, this posture can make an individual appear unapproachable and disinterested to others. For an account manager, such cues can undermine their persuasiveness, as the client may perceive a lack of openness or confidence, ultimately damaging the professional relationship.

96. (B) Provision of all relevant facts to ensure stakeholders are adequately informed
Providing all relevant information to stakeholders is a key component of the principle of adequacy. This ensures that investors or customers have the necessary facts to make a fair and informed assessment of a product or situation. While related to transparency, adequacy specifically focuses on the completeness and sufficiency of the information shared, rather than just the absence of deception.

97. (A) Call Centre initiatives
Call centre initiatives in modern banking are an excellent example of cross-sectional communication channels. These systems facilitate quick responses by allowing different departments to share information and coordinate tasks efficiently to resolve customer issues. By utilizing these integrated channels, banks can provide more effective service, demonstrating how horizontal information flow between peer groups enhances overall organizational performance and customer satisfaction.

98. (B) Submission
Nonverbal cues such as eye contact or its absence provide significant information about an individual's perceived status and confidence level. In a professional interaction, looking down is widely recognized as a sign of submission or lack of confidence. For a speaker, this gesture can undermine their authority and make them appear less persuasive to their audience, as it suggests uncertainty or inferiority.

99. (B) The assumption that because leaders are aware of information, everyone else is too
Communication barriers are often exacerbated by specific managerial misconceptions regarding

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information flow. A common assumption is that if leadership is aware of certain details, all other members of the organization must also possess that knowledge. This belief leads to the neglect of necessary formal transmissions, leaving subordinates uninformed and hindering the overall operational efficiency and clarity of the entire business entity.

100. (D) The receiver becomes confused, causing the communication to fail its purpose

When management pushes directives down the hierarchy without clearly defining the underlying instructions or assumptions, it creates a significant barrier to effective action. In such cases, the branch manager or subordinate is left in a state of uncertainty regarding the intended outcome. This lack of clarity inevitably leads to confusion, ensuring that the communication fails completely to achieve its original purpose.

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supervisors might retain about seventy percent of the information they receive, general employees often retain much less, typically around forty percent, contradicting the high retention rates suggested elsewhere.

42. (C) Ill-conceived judgments, illogical decisions, or frequent countermanding of orders
Trust is a foundational element for effective communication within any professional environment. Distrust of a communicator often arises when a leader consistently demonstrates poor judgment, makes illogical decisions, or frequently countermands previous orders. Such behaviors undermine the communicator's credibility, causing subordinates to question the validity of future messages and reducing the overall effectiveness of the organization's formal communication channels.

43. (B) Vague and un-clarified assumptions – Superiors pushing papers down with no instructions, causing a dilemma
Barriers to communication can take many forms, including the presence of vague and un-clarified assumptions. This occurs when a superior passes information or tasks to subordinates without providing specific instructions or context. Such gaps in the communication process leave the receiver in a dilemma, forced to guess the sender's intent, which often leads to errors and significant operational confusion.

44. (D) P-4, Q-3, R-2, S-1
The Shannon and Weaver model identifies specific components essential for message transmission. The sender acts as the information source that initiates the process, while the channel serves as the medium carrying the encoded message. Noise represents environmental or psychological factors that distort the signal. Finally, the receiver is the destination point where the decoded message is ultimately taken in and understood.

45. (A) I and II only
Research into human communication reveals that nonverbal elements are far more influential than the words themselves. Body language accounts for fifty-five percent of communication effectiveness, while the quality and tone of the voice contribute thirty-eight percent. Only seven percent of the message is conveyed through actual words, meaning that high percentages assigned to verbal content in other contexts are incorrect.

46. (B) It reveals major sentiment shifts where employees feel safe sharing their feelings
The grapevine is an informal communication network that management should respect rather than ignore. It serves as a valuable tool for identifying major shifts in employee sentiment and morale. Because the grapevine operates outside official channels, employees often feel safer sharing their true feelings and concerns through it, providing management with essential insights into the underlying organizational climate and culture.

47. (B) Statement I is true, but Statement II is false
Effective communication is a strategic necessity for the success of all Human Resource functions. However, HR cannot apply a one-size-fits-all approach across the workforce. Different generations and business verticals have unique communication needs and preferences. Successful HR management requires tailoring communication styles to match the specific characteristics and expectations of various employee groups to ensure clarity and engagement.

48. (B) P-3, Q-4, R-1, S-2
Generational differences significantly influence perspectives on the relationship between work and life. The traditional generation views work as the central focus, while Baby Boomers see life as having a strong work component. Generation X members typically seek a clear balance between their professional and personal lives. In contrast, Generation Y prefers a smooth integration where both aspects merge without separation.

49. (A) Underestimating your audience – Explaining detailed strategy because colleagues demand the rationale behind changes
Underestimating an audience involves a communicator glossing over important details or simplifying information because they believe the recipients lack the capacity to understand. Providing a detailed strategy in response to a demand for rationale is actually an example of effective, transparent communication. The other listed issues, such as lack of clarity in tone

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(B) The candidates are already oriented towards the organisation.
(C) It often results in compliance with reservation policies becoming easier.
(D) It guarantees that politics will not play a role in the selection process.

May/June 2019

9. Which of the following is NOT an essential of a Good Selection Practice?
(A) Detailed job descriptions and job specifications prepared in advance.
(B) Line managers are completely excluded from the selection stages to maintain neutrality.
(C) Trained panel of interviewers with special emphasis on behavioral event interviewing.
(D) All newly appointed candidates are put through a well-designed training program.

Oct/Nov 2006

10. Which Google service was launched in the U.S. in May 2017 to leverage machine learning and A.I. to better understand how jobs are classified and related?
(A) Google for Candidates
(B) Google Hire
(C) Google for Jobs
(D) Google Search Careers

May/June 2021

11. Which of the following is NOT a component of the Cost to Company (CTC) concept?
(A) Basic salary
(B) Contribution to provident fund
(C) Perquisites such as rent-free accommodations
(D) Take Home Salary

Oct/Nov 2010

12. Which term indicates the total amount of expenses an employer spends on an employee during one year, including fixed pay, variable features, and every item of expenditure incurred on the individual employee?
(A) Basic Salary
(B) Take Home Salary
(C) Cost to Company (CTC)
(D) Strategic Compensation

May/June 2005

13. Identify the correct statement regarding Employee Risk Assessment in banks.
(A) It is part of the operational risk framework for timely corrections.
(B) It focuses strictly on physical safety protocols within the office.
(C) It excludes employer liability for fraudulent actions by staff members.
(D) It addresses hiring errors that are fully resolved within one month.

Oct/Nov 2022

14. What is the primary conceptual advantage of utilizing video interviewing for executive management hiring?
(A) It eliminates traditional manual background and reference checks.
(B) It removes the necessity for managers to evaluate final candidates.
(C) It evaluates personality fit while reducing geographical barriers.
(D) It automatically generates employment offers for top-tier candidates.

May/June 2018

15. All of the following are advantages of internal recruitment EXCEPT:
(A) Less costly
(B) Organisations have better knowledge about internal candidates
(C) Employee morale and motivation is enhanced
(D) Benefits of new skills and talent

Oct/Nov 2016

16. Which of the following defines the process of promoting a company or an organisation as the employer of choice to a desired target group?
(A) Employer branding
(B) E-Recruitment
(C) Internal Recruitment
(D) Social Sourcing

May/June 2014

17. Which of the following is an INCORRECT statement regarding Attrition/Turnover Management?
(A) The new organisational theory advocates that zero attrition is required to keep the organisation on a dynamic mode.
(B) Attrition rate simply measures the number of employees moving out of the company.
(C) At the higher levels, performance-based bonuses are paid to induce productivity.

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(D) In banks, attrition of key talents like Treasury Managers and Wealth Managers is a concern.

Oct/Nov 2007

18. From which date did the Government of India mandate the discontinuation of interviews for recruitment to junior level posts in Government and Public Sector Organisations?
(A) 1st January 2016
(B) 1st April 2015
(C) 1st April 2016
(D) 1st January 2017

May/June 2025

19. Identify the correct statement regarding the Compensation Structure in Public Sector Banks.
(A) The service conditions for officer staff are governed entirely by the Bipartite Settlements.
(B) Individual banks have the mandate to completely alter the uniform wage package without Indian Banks Association approval.
(C) The compensation structure in PSBs strictly prohibits any form of incentives and rewards.
(D) The service conditions for workmen are governed by the provisions of Desai Award and Sastry Award as modified through Bipartite Settlements.

Oct/Nov 2019

20. What is the subtle but equally harmful risk, other than negligent hiring, associated with hiring substandard candidates in Public Sector Banks where average performance is considered the norm?
(A) They become long-term liabilities that are difficult to remove.
(B) They create short-term cost overruns from background checks.
(C) They trigger immediate resignations leading to higher attrition.
(D) They cause immediate increases in fixed compensation budgets.

May/June 2009

21. All of the following are modern Applicant Tracking System (ATS) or task management software EXCEPT:
(A) Workable
(B) Trello
(C) GitHub
(D) Taleo

Oct/Nov 2011

22. Which of the following broad functions falls under the "Organisational Value-Added Role" in the transformation of HR roles?
(A) Traditional recruitment, orientation, and development activities.
(B) Developing learning environments and digital HR service models.
(C) Strategic alignment of HR initiatives with corporate objectives.
(D) Quantitative assessment of return on capital for human assets.

May/June 2010

23. When conducting demand forecasting in Human Resource Planning, which of the following is considered an external factor?
(A) Budget constraints
(B) New products and services
(C) Business projections
(D) Job market scenario

Oct/Nov 2024

24. Which of the following is NOT listed as an advantage of Payroll Management Software to business growth?
(A) Effective Costing as no expertise is needed to use the software.
(B) Notifications and Updates regarding tax payments and salary due dates.
(C) Employee Calendars for managing sick leaves, absence, and overtime.
(D) Automatic generation of employee reference and background checks.

May/June 2017

25. Identify the correct statement regarding "Gamification" in business intranets.
(A) It is a direct messaging tool used for consumer-facing advertising.
(B) It applies game design techniques to achieve specific business goals.
(C) It is a digital framework that was originally established in 1995.
(D) It discourages internal competition to maintain workplace harmony.

Oct/Nov 2005

26. What is the definition of Strategic Compensation?
(A) Total annual expenses incurred by an

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organization for its workforce.
(B) Fixed compensation structures determined by internal grade systems.
(C) Discretionary monetary rewards given for individual high performance.
(D) Compensation systems aligned with specific strategic business goals.

May/June 2020

27. All of the following are external factors influencing demand forecasting EXCEPT:
(A) Attrition rate
(B) Competitive environment
(C) Economic climate
(D) Technology changes

Oct/Nov 2015

28. To what value had the online recruitment industry grown by the year 2005?
(A) $7.1 billion
(B) $1.2 billion
(C) $5.4 billion
(D) $10.5 billion

May/June 2013

29. Which of the following is NOT a disadvantage of External Recruitment?
(A) It is a costly method.
(B) Chances of negative and costly errors of wrong recruitment are present.
(C) Scope for resentment and heartburn among existing employees is avoided.
(D) Adjustment of new employees takes a longer time.

Oct/Nov 2021

30. What is the primary reason an organisation needs to frame a Social Media Policy?
(A) To maximize the volume of social followers for digital marketing.
(B) To require employees to promote corporate products on personal accounts.
(C) To monitor employee internet usage during standard working hours.
(D) To manage communication risks and protect the corporate reputation.

May/June 2024

31. Arrange the following steps of the Selection Process in the correct chronological order:
I. Personal Interview
II. Selection and Job offer
III. Screening and Preliminary Interview
IV. Reference and Background Checks
V. Selection Tests
(A) III, I, V, IV, II
(B) III, V, I, IV, II
(C) V, III, I, II, IV
(D) III, V, IV, I, II

Oct/Nov 2008

32. Which of the following pairs of E-Recruitment Tools and their categories is INCORRECT?
(A) Zao - Referrals
(B) Trello - Sourcing
(C) Workable - Candidate management
(D) SparkHire - Selection

May/June 2006

33. According to industry analysis on attrition, what is the most significant reason employees leave their organisation?
(A) Dissatisfaction with the corporate brand image.
(B) Poor management skills and lack of coaching.
(C) Superior cafeteria amenities at competing firms.
(D) Calculation errors in the primary HRMS software.

Oct/Nov 2017

34. Read the following statements regarding Cost to Company (CTC) and select the correct option:
I. Subsidized meals from the office canteen and the rent of the office space (cabin) are never included in an employee's CTC.
II. Take Home Salary is calculated as direct benefits minus employee PF and other deductions like income tax.
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2008

35. Match the Intranet/Communication tools in List I with their descriptions in List II:
List I: (Communication Tools)
P. Intranet
Q. Chat rooms
R. Bots
S. Podcasts
List II: (Descriptions)
1. Forums for specific groups to interact and

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S. Operational Role

List II: (Broad Functions)

1. Creating flexible work culture, aligning HR initiatives to business strategies
2. HR technology services, creating a learning work environment
3. Selection, Orientation, Motivation, compensation
4. Routine administrative filing

(A) P-3, Q-2, R-1, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-1, Q-4, R-2, S-3
(D) P-4, Q-1, R-3, S-2

May/June 2012

49. Which of the following pairs of Recruitment type and its attribute is INCORRECT?

(A) Internal Recruitment - Benefits of new skills and talent
(B) Internal Recruitment - Less Costly
(C) External Recruitment - Compliance with reservation policy becomes easy
(D) External Recruitment - Adjustment of new employees takes longer time

Oct/Nov 2014

50. Match the Key functions of HRIS/HRMS in List I with their descriptions in List II:

List I: (HRIS/HRMS Functions)

P. Benefits and welfare administration
Q. Payroll Handling
R. Employee Record Handling
S. Performance Management

List II: (Descriptions)

1. Keeping the employee records from past organisation, personal details, and documents
2. Calculating leaves, holidays, late hours, and overtime for monthly salary credit
3. Analyzing reports from various departments to support appraisals and incentives
4. Tracking perks, special allowances, insurance, and profit sharing

(A) P-4, Q-2, R-1, S-3
(B) P-1, Q-3, R-4, S-2
(C) P-2, Q-4, R-3, S-1
(D) P-3, Q-1, R-2, S-4

May/June 2019

51. Consider the following statements regarding the contents of a typical 'Social Media Policy':

I. Employees must clearly brand their online posts as personal and purely their own when associating themselves with the company.
II. Employees are encouraged to divulge sensitive internal operations to the outside online community to build brand transparency.
III. Employees are prohibited from using the company logo on any social media platform without prior approval.

Which of the above statements is/are correct?

(A) I and II only
(B) II and III only
(C) I, II, and III
(D) I and III only

Oct/Nov 2006

52. Arrange the following steps of a typical Human Resource Planning (HRP) process in the correct chronological order:

I. Demand Forecasting
II. Estimating the net human resource requirements
III. Analyzing organisational plans
IV. Supply Forecasting

(A) III, I, IV, II
(B) I, III, II, IV
(C) III, IV, I, II
(D) I, IV, III, II

May/June 2021

53. Match the Candidate Management/Selection tools in List I with their descriptions in List II:

List I: (Selection Tools)

P. SparkHire
Q. Gapjumpers
R. BambooHR
S. SurveyMonkey

List II: (Descriptions)

1. Offers a method to hire using "blind auditions"
2. Offers a complete HRIS solution with onboarding function
3. Specializes in video interviewing
4. Creates pre-interview questionnaires to screen out candidates

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-4, R-3, S-2
(C) P-2, Q-3, R-4, S-1
(D) P-4, Q-2, R-1, S-3

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(B) I and II only
(C) I and III only
(D) I, II, and III

Oct/Nov 2023

42. What is the most significant benefit of utilizing video interviewing for executive management?
(A) Immediate skipping of all subsequent hiring assessments.
(B) Guaranteed elimination of attrition for senior leaders.
(C) Personal connections beyond geographical boundaries.
(D) Full removal of salary and benefit negotiations.

May/June 2016

43. Which of the following pairs correctly matches the Social Media platform with its corporate use as described?
(A) Yammer - An external job board for mass recruitment.
(B) Facebook - A platform to put out regular organisational communications and notices about benefits meetings.
(C) LinkedIn - An internal audio streaming platform.
(D) Twitter - A private hub for maintaining employee payroll records.

Oct/Nov 2009

44. Match the Compensation components in List I with their definitions in List II:
List I: (Compensation Components)
P. Basic salary
Q. Allowance
R. Perquisites
S. Contribution to provident fund
List II: (Definitions)
1. Includes rent free accommodations, car facility, interest subsidy on loan
2. The core fixed part of the compensation package
3. Mandatory deduction of 12 percent from the employee and 12 percent by employer
4. Includes HRA, LTA, and dearness allowance
(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

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May/June 2023

45. Consider the following statements regarding the benefits of using video interviewing for executive management hiring:
I. It allows the company to connect personally from the first moments of the process.
II. It narrows the talent pool strictly to the company's immediate geographical comfort zone.
III. It enables easier coordination and communication with the internal management team through recorded answers.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2018

46. When is it most appropriate for an organisation to implement an Intranet strategy?
(A) When launching national advertising for new consumers.
(B) When administrative paperwork becomes unmanageable.
(C) When replacing an entire human resources department.
(D) When restricting the usage of all mobile hardware.

May/June 2007

47. Read the following statements regarding gamification and select the correct option:
I. Gamification is used by businesses to drive desired behaviour of users by rewarding them with points, badges, or elevated status.
II. The concept of gamification relies entirely on removing all competitive elements from the workplace.
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2025

48. Match the HR Roles in List I with their broad functions in List II:
List I: (HR Roles)
P. Core People Role
Q. Organisational Value-Added Role
R. Business Transformation Role

(C) P-4, Q-1, R-3, S-2
(D) P-1, Q-3, R-2, S-4

May/June 2025

61. Consider the following essentials of a Good Selection Practice:
I. Detailed job descriptions and specifications prepared in advance.
II. Trained panel of interviewers with emphasis on behavioral event interviewing.
III. Having a standard to compare a prospective employee against.
IV. Complete exclusion of line managers at all stages.
V. Putting all newly appointed candidates through a well-designed training program.
Which of the above essentials represent good selection practices?
(A) I, II, IV, and V only
(B) I, III, IV, and V only
(C) I, II, III, and V only
(D) I, II, III, IV, and V

Oct/Nov 2019

62. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): The use of Gamification in business intranets is strictly prohibited.
Reason (R): Gamification uses game mechanics to motivate people to reach company or business goals.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

63. Consider the following statements regarding the key functions of an HRIS/HRMS:
I. Benefits and welfare administration
II. Payroll Handling
III. Performance Management
IV. Determining the national monetary policy rates
Which of the above statements is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2011

64. Why did the HR Manager specifically choose 'Workable' in this scenario?
(A) It is a gamification platform used to break up daily work routines.
(B) It monitors social media activity using specific predictive analytics.
(C) It is an ATS that automates job postings and pipeline management.
(D) It manages referral rewards for internal employee recommendation.

May/June 2010

65. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): The recruitment process is said to be negative in its approach.
Reason (R): Selection is concerned with eliminating as many unqualified applicants as possible to identify the right candidates.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

66. By shifting to these modern e-recruiting software tools, XYZ Pvt. Ltd. is experiencing the reign of which traditional tool coming to an end?
(A) Spreadsheets, email, and post-and-pray job ads
(B) Social Sourcing
(C) Corporate Talent Networks
(D) Internet and intranets

May/June 2017

67. Consider the following statements regarding the latest trends in Corporate Recruitment:
I. Building a "talent network" incorporating fans, candidates, employees, and alumni.
II. Shifting responsibility onto hiring managers while recruiters focus on sourcing and

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Oct/Nov 2010

54. Read the following statements regarding Recruitment Agencies and select the correct option:

I. Recruitment agencies charge a heavy fee directly from the individual applicants for securing them a job.

II. In case a selected candidate refuses to join, a penalty clause can be invoked to recover a certain amount from the recruitment agency.

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2005

55. Which of the following pairs correctly matches a demand forecasting factor with its type?

(A) Budget constraints - Internal Factor
(B) Attrition rate - External Factor
(C) Technology changes - Internal Factor
(D) Business projections - External Factor

Oct/Nov 2022

56. What is the most accurate description of a modern talent brand?

(A) Authentic and narrow to attract specific candidates.
(B) Generic and high-volume for mass media advertising.
(C) Reliant on physical recruitment ads in newspapers.
(D) Automated for candidate rejection without review.

May/June 2018

57. Consider the following statements regarding Demand forecasting:

I. Job analysis and forecasts about future components of human resources facilitate demand forecasting.

II. Forecasting quality of human resources (skills, values) is as important as forecasting the quantity.

III. Delphi Techniques involve estimating future requirements based on a qualitative assessment using a group of experts.

Which of the above statements is/are correct?

(A) I, II, and III
(B) I and II only
(C) II and III only
(D) I and III only

Oct/Nov 2016

58. Match the E-recruitment/HR software tools in List I with their categories in List II:

List I: (Software Tools)
P. Zao
Q. Trello
R. Indeed
S. Facebook Graph Search

List II: (Categories)
1. Job posting
2. Task management
3. Referrals
4. Sourcing

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-3, R-4, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-4, R-3, S-1

May/June 2014

59. Read the following statements regarding the HRP System and select the correct option:

I. The HRP System Architecture includes analyzing the business environment and strategic goals of the organization.

II. The HRP system does not account for surplus or shortage of manpower.

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2007

60. Match the Attrition Mitigation Strategies in List I with their underlying concepts in List II:

List I: (Strategies)
P. Build people skills of middle management
Q. Focus on Capability building
R. Managing expectation of employees
S. Career Pathing

List II: (Concepts)
1. Asking employees >18-24 months in the system for career preferences
2. Creating an eco-system where people development is at the fore-front
3. Addressing the fact that 80% of employees leave their managers
4. Letting top managers assimilate with employees and align their growth timeline

(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-4, R-1, S-3

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tendency to bypass quality and safety.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

74. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): Background checks have to be held and completed well before the prospective employee joins a bank.
Reason (R): Banks deal with public money, and the ethical and moral values of employees are very important to prevent frauds.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

75. By implementing 'SparkHire' for one-way video interviews, the company allows:
(A) The HR team to directly manage employee payroll and benefit deductions.
(B) The creation of internal blogs to highlight employee knowledge.
(C) The immediate generation of pay slips post-interview.
(D) Candidates to answer questions on video in their own time, which can be reviewed later by the team.

Oct/Nov 2017

76. Consider the following statements regarding Attrition in Banking:
I. The banking sector experienced attrition due to a badly executed VRS scheme resulting in a shortage of staff.
II. In new generation banks, heavy targets and pressure to sell led to youngsters completing deals without necessary documentation, resulting in NPAs.
III. Public Sector Banks never worry about the attrition of key talents like Treasury Managers and Wealth Managers.
IV. Highly successful organisations advocate for a reasonable level of attrition to pave the way for new thoughts and creativity.
Which of the above statements is/are correct?
(A) I, III, and IV only
(B) II, III, and IV only
(C) I, II, and III only
(D) I, II, and IV only

May/June 2008

77. The HR Head realizes that estimating the quality of manpower is crucial for marketing new banking products. Which activity primarily facilitates this qualitative demand forecasting?
(A) Laying off surplus manpower immediately.
(B) Implementing a strictly fixed compensation structure without variable pay.
(C) Discontinuing the use of all social media platforms.
(D) Redesigning and reanalyzing jobs reflecting future activities, skills, and capabilities.

Oct/Nov 2013

78. Consider the following benefits of implementing an HRIS/HRMS:
I. Expedition of recurring tasks through automation.
II. Improved ability to reach large candidate pools.
III. Ease in distributing up-to-date materials concerning company policies.
IV. Manual calculation of provident fund without software intervention.
V. Decrease in compliance woes aided by alerts and automatic reporting options.
Which of the above statements are correct benefits?
(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, and V only

May/June 2015

79. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): E-Recruitment has overpowered

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initial screening.
III. Relying solely on the Sunday classifieds to build an employment brand.
IV. Utilizing an explosion of new assessment tools driven by cloud technology.
Which of the above statements is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, III, and IV only

Oct/Nov 2005

68. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): Progressive companies are shifting from a traditional fixed salary concept to evaluating the Cost to Company (CTC).
Reason (R): CTC includes fixed pay, variable features, and every item of expenditure incurred by the company on the individual employee.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

69. The HR department's decision to use Delphi Techniques implies that they will rely on:
(A) Qualitative expert assessments summarized by HRP intermediaries.
(B) Quantitative measures of call volumes to determine labor standards.
(C) Historical data analysis to predict future personnel requirements.
(D) Internal talent inventory assessments of current organizational staff.

Oct/Nov 2015

70. Consider the following strategies to mitigate attrition in the IT/ITES Industry:
I. Build people skills of middle management.
II. Focus on Capability building and creating an eco-system for people development.
III. Strictly avoid communicating about compensation and benefits.
IV. Provide Growth Opportunities and communicate about them.
V. Create Training Acadaries and partner with institutions.
Which of the above strategies are correct?
(A) I, II, III, and V only
(B) II, III, IV, and V only
(C) I, II, IV, and V only
(D) I, III, IV, and V only

May/June 2013

71. How is the Take Home Salary mathematically derived from the direct benefits?
(A) Take Home Salary = Direct benefits - Employee PF - other deductions if any (like income tax)
(B) Take Home Salary = Direct benefits + Indirect benefits + Saving contributions
(C) Take Home Salary = Direct benefits + Employee PF
(D) Take Home Salary = Employee PF + Income Tax

Oct/Nov 2021

72. Consider the following statements regarding Risk Assessment in Banks:
I. Risk assessment includes evaluating potential risks an organisation suffers due to bad or improper hiring.
II. Negligent hiring lawsuits occur when an employer fails to exercise reasonable care in providing a safe environment.
III. The cost of hiring substandard candidates is a short-term issue with no long-term liability.
IV. Employee risk is a paramount part of the operation risk framework in banks.
Which of the above statements is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) I, III, and IV only
(D) II, III, and IV only

May/June 2024

73. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): Incentive-based compensation can sometimes lead employees to disregard security regulations.
Reason (R): The "payment by results" approach adopted for higher incentive figures creates a

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receive notifications based on a shared topic
2. Audio files available to stream or download
3. A private hub accessed by authorized users for internal communication
4. Software that can interact with users using chat mechanisms

(A) P-4, Q-2, R-1, S-3
(B) P-3, Q-1, R-4, S-2
(C) P-1, Q-3, R-2, S-4
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2013

36. Consider the following statements regarding the advantages of Payroll Management Software:

I. It is very user-friendly, meaning no expertise is needed to use the software.
II. It automates data management, helping to speed up the company's work and save time.
III. It restricts the generation of pay slips to prevent employees from keeping payment records.

Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2015

37. What is the most appropriate reason for banks to conduct rigorous background checks before a prospective employee joins?
(A) To verify integrity for handling public money.
(B) To confirm technical clerical typing speed.
(C) To assign the correct basic salary grade.
(D) To evaluate personal social media reach.

Oct/Nov 2012

38. Match the Compensation Structure Grades in List I with their descriptions in List II:

List I: (Grades)
P. Award Staff
Q. Scale 1
R. Scale II & III
S. Scale VI & VII

List II: (Descriptions)
1. Middle Management
2. Top Management
3. Clerical & Subordinate staff
4. Junior Management

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-4, S-3
(C) P-2, Q-1, R-3, S-4
(D) P-4, Q-3, R-2, S-1

May/June 2011

39. Read the following statements regarding the discontinuation of interviews and select the correct option:

I. The Government of India decided to discontinue interviews for recruitment to junior level posts in Government and Public Sector Organisations from 1st January 2016.
II. Following this directive, the Skill Test or Physical Test was also completely abolished and cannot be continued even in a qualifying nature.

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2020

40. Match the Selection Tests in List I with their focus in List II:

List I: (Selection Tests)
P. Interest Tests
Q. Graphology Test
R. Aptitude Tests
S. Personality Tests

List II: (Focus)
1. Handwriting
2. Activity preferences
3. Judging how well an individual can perform tasks related to the job
4. Evaluating behavioral traits and character

(A) P-1, Q-3, R-4, S-2
(B) P-2, Q-1, R-3, S-4
(C) P-3, Q-4, R-2, S-1
(D) P-4, Q-2, R-1, S-3

May/June 2022

41. Consider the following statements regarding the disadvantages of Incentive Based Compensation:

I. Tendency to bypass quality in pursuit of increased output.
II. Employees may disregard security regulations due to the payment by results approach.
III. It uniformly motivates all employees, completely eliminating sectional differences.

Which of the above statements is/are correct?
(A) II and III only

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traditional methods because it is highly cost-efficient and gives accessibility to a big pool of resumes.
Reason (R): The tool can only be accessed through third-party job websites and not on the organisation's intranet.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

80. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): The decision to discontinue interviews for junior level posts in Government and Public Sector Organisations was taken to curb corruption and ensure objective selection.
Reason (R): Personality assessment is considered an absolutely necessary requirement for all junior level posts.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

81. According to the CTC model introduced by the bank, which of the following is considered an indirect benefit that inflates the CTC figure but does not appear in the monthly cash payout?
(A) Basic salary
(B) Dearness allowance
(C) Interest subsidy on loans
(D) House Rent Allowance (HRA)

Oct/Nov 2020

82. Consider the following steps in the HRP process:
I. Analyzing organisational plans.
II. Demand Forecasting.
III. Supply Forecasting.
IV. Estimating the net human resource requirements.
V. Planning for recruitment, development, and internal mobility in case of future deficit.
Which of the above steps are involved in HRP?
(A) I, II, III, IV, and V
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2022

83. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): Human Resource Planning (HRP) is essential because without a clear-cut manpower plan, estimation of human resource need is reduced to mere guesswork.
Reason (R): HRP is a process by which an organisation ensures it has the right number and kind of people at the right place, at the right time.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

84. If the PSB identifies a future deficit in manpower through this HRP process, what is the immediate next logical step according to the typical HRP process?
(A) Plan for redeployment and retrenchment.
(B) Immediately issue appointment letters to walk-in candidates.
(C) Forecast the future supply of human resources from all sources.
(D) Revert to purely manual spreadsheet tracking.

May/June 2016

85. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): Highly successful organisations advocate for a zero attrition rate to maintain stability.

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(C) Imposing stricter penalties for missing sales targets to reset their expectations.
(D) Coaching employees on building competency rather than vertical growth.

Oct/Nov 2016

100. Employee Risk Assessment in banks goes a step beyond physical safety to focus on:
(A) Ensuring the office building is structurally sound.
(B) Calculating the exact Cost to Company (CTC) for every employee.
(C) Monitoring the amount of time an employee spends on the internal blog.
(D) Assessing risks from improper hiring and potential legal liabilities.

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Oct/Nov 2014

92. Based on the analysis of heavy attrition described in the scenario, which factor is most evidently driving the youngsters to leave?
(A) Inadequate training and poor working conditions.
(B) The lack of an internal discussion forum or podcast.
(C) Heavy pressure of work without adequate rewards, specifically the stress of target-linked pay and recovery policies.
(D) The implementation of an HRIS system for attendance management.

May/June 2019

93. To address the dissatisfaction, the HR initiates a "total rewards" discussion. What is the key advice for managers regarding these discussions to increase employee engagement?
(A) Conducting formal annual reviews during the appraisal period.
(B) Prioritizing base salary adjustments over career progression.
(C) Emphasizing that compensation is the primary driver of retention.
(D) Holistic discussions regarding work meaning and career growth.

Oct/Nov 2006

94. To mitigate the risk of negligent hiring in the future, the HR department should ensure:
(A) That the basic salary is increased to attract more honest candidates.
(B) The use of Chat Bots for all final hiring decisions.
(C) That rigorous criminal background checks and police verifications are conducted prior to hiring.
(D) That candidates are only hired through social sourcing on Twitter.

May/June 2021

95. The HR department recognizes that 80% of employees in the industry leave their managers instead of their organisation. To fix this, they must:
(A) Develop the people management skills of all middle management.
(B) Eliminate the middle management layer completely.
(C) Promote the best sales performers to managerial roles without any further training.
(D) Transfer all managerial responsibilities to the external recruitment agency.

Oct/Nov 2010

96. The bank uses performance-linked incentives. What is a known potential disadvantage of this incentive-based compensation that the bank must monitor?
(A) It inherently guarantees an increase in the bank's fixed costs.
(B) Risks regarding employee health and potential quality bypass.
(C) It results in an immediate reduction in the standard of living of employees.
(D) It prevents employees from tracking their daily productivity.

May/June 2005

97. The fraud committed by the employee with a concealed criminal past exposes the bank to lawsuits based on:
(A) Negligent hiring due to failure to ensure a safe environment.
(B) Employer branding violations.
(C) Strategic compensation errors.
(D) Gamification malpractice.

Oct/Nov 2022

98. While addressing the attrition, the HR head points out that "Zero attrition leads to decadence." What does this mean in the context of organisational theory?
(A) The bank must strive to retain 100% of its employees at any cost to remain successful.
(B) A reasonable level of attrition is actually required to pave the way for new thoughts, ideas, and creativity.
(C) Attrition only affects the top management, while the lower levels must remain static.
(D) Decadence is a positive state that the organisation should aim to achieve through zero attrition.

May/June 2018

99. The HR proposes "managing expectation of employees." According to industry practices to mitigate attrition, what does this entail?
(A) Automatically promoting every employee after 6 months to keep them happy.
(B) Promising the employees guaranteed fixed bonuses regardless of performance.

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42. (C) Personal connections beyond geographical boundaries.
The most significant benefit of video interviewing for executive management is the ability to establish personal connections without the constraints of geography. It allows hiring teams to assess soft skills and cultural fit through direct visual interaction early in the recruitment process. This efficiency saves time and costs while enabling the organization to consider global talent for high-level leadership positions.

43. (B) Facebook - A platform to put out regular organisational communications and notices about benefits meetings.
Facebook is often used by organizations as a platform to post regular communications, company news, and notices regarding employee benefits or meetings. LinkedIn is primarily a professional networking site for recruitment and sourcing, not an internal audio platform. Yammer acts as an internal social network for employee collaboration, and Twitter is generally used for public microblogging rather than private payroll record keeping.

44. (A) P-2, Q-4, R-1, S-3
Basic salary represents the core fixed portion of an employee's compensation. Allowances include additional payments like HRA, LTA, and dearness allowance. Perquisites cover non-monetary benefits such as rent-free accommodation or car facilities. Contribution to the provident fund is a mandatory deduction, typically 12 percent from both the employee and the employer, aimed at providing long-term financial security for the worker.

45. (C) I and III only
Video interviewing allows companies to build personal connections with candidates from the very beginning of the recruitment process. It also facilitates internal coordination by allowing team members to review recorded interviews at their convenience. Statement II is incorrect because video interviewing actually expands the talent pool beyond the immediate geographical area, enabling organizations to reach and evaluate candidates globally.

46. (B) When administrative paperwork becomes unmanageable.
An intranet strategy is most appropriately implemented when administrative paperwork and internal communications become too complex to manage manually. By digitizing documents, notices, and workflows, an organization can improve efficiency and ensure that employees have easy access to necessary information. A private hub helps streamline routine tasks, reduces physical filing needs, and fosters a more organized environment for internal collaboration and record-keeping.

47. (A) Only I
Gamification is a strategy used by businesses to drive desired behaviors by rewarding users with points, badges, or status updates. Therefore, Statement I is correct. Statement II is incorrect because gamification relies heavily on incorporating competitive and achievement-oriented elements into the workplace, rather than removing them. These mechanics are designed to motivate employees and help them reach specific organizational or individual goals.

48. (A) P-3, Q-2, R-1, S-4
The Core People Role focuses on fundamental activities like selection, orientation, and motivation. The Organisational Value-Added Role involves creating learning environments and utilizing HR technology. Business Transformation Roles center on strategic alignment and building flexible work cultures. The Operational Role handles routine administrative tasks like filing, ensuring the basic daily functions of the human resources department are carried out efficiently.

49. (A) Internal Recruitment - Benefits of new skills and talent
Internal recruitment is characterized by filling vacancies with existing staff, which means it does not typically bring in new skills or fresh talent from outside the organization. This is a primary disadvantage of the method. In contrast, internal recruitment is generally less costly. External recruitment allows for easier compliance with reservation policies and brings in new talent, although new hires take longer to adjust.

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ANSWERS

1. (D) Delphi Techniques
Delphi Techniques utilize a structured communication method where a panel of experts provides independent estimates. These qualitative assessments are then summarized by intermediaries to reach a consensus on future manpower requirements. This iterative process ensures diverse perspectives are considered while maintaining anonymity, making it highly effective for long-term strategic human resource planning and forecasting.

2. (C) The service-laden BPO and KPO industry have the highest attrition rates.
The service-oriented sectors within Business Process Outsourcing and Knowledge Process Outsourcing frequently experience significantly higher attrition rates compared to other industries. This trend is often driven by repetitive job roles, high work pressure, and the pursuit of better career opportunities. Managing such high turnover is a critical challenge for HR departments in maintaining organizational stability and productivity.

3. (C) Selection
Selection is the specific process of choosing the most suitable candidates from a pool of applicants to fill job vacancies. It focuses on evaluating the qualifications, competence, and potential of individuals against predetermined job requirements. Unlike recruitment, which aims to attract a large number of applicants, selection utilizes various tools like interviews and tests to filter and appoint talent.

4. (C) Employees are allowed to use the company logo on any social media platform without prior approval.
Organizational social media policies typically prohibit the unauthorized use of company logos or intellectual property. Requiring prior approval ensures that the corporate brand is protected and represented accurately across digital platforms. Policies aim to mitigate communication risks and safeguard reputations by establishing clear guidelines on what employees can share regarding sensitive company information or branding elements on personal accounts.

5. (B) It eliminates unsuitable candidates to find the best talent.
Recruitment is considered a positive process because it seeks to attract as many applicants as possible to create a talent pool. In contrast, selection is viewed as negative because its primary goal is to eliminate unsuitable candidates. By filtering out those who do not meet specific job criteria, the organization identifies the best-fit individuals for the role.

6. (B) Reduction of fixed costs for the company.
Incentive-based compensation structures often lead to a reduction in fixed costs because payments are tied directly to productivity or output. While this is a benefit for the organization's financial management, it is not a disadvantage. Disadvantages typically include a tendency for employees to bypass quality standards, disregard safety regulations, or experience health issues due to overworking for higher rewards.

7. (B) Human Resource Planning (HRP)
Human Resource Planning is the strategic process that allows an organization to ensure it has the correct quantity and quality of employees at the right time and place. This systematic approach aligns workforce capabilities with organizational objectives. By forecasting future needs and analyzing current supply, HRP helps in effectively completing tasks necessary to achieve long-term corporate goals and success.

8. (B) The candidates are already oriented towards the organisation.
Internal recruitment involves filling vacancies with existing employees who are already familiar with the organizational culture, policies, and procedures. This familiarity reduces the time and cost associated with orientation and onboarding compared to external hires. Additionally, promoting from within can enhance employee morale and motivation by demonstrating a

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clear career path, though it may limit fresh perspectives.

9. (B) Line managers are completely excluded from the selection stages to maintain neutrality.
Effective selection practices require the active involvement of line managers who understand the specific technical requirements of the job. Excluding them can lead to a disconnect between the selected candidate and the actual work environment. Good practices instead emphasize detailed job descriptions, a trained panel of interviewers utilizing behavioral techniques, and well-designed training programs for all newly appointed staff members.

10. (C) Google for Jobs
Google for Jobs was introduced in the United States in May 2017 to transform the recruitment landscape using artificial intelligence and machine learning. This service leverages advanced algorithms to understand job classifications and relationships, providing job seekers with highly relevant results. By aggregating listings from various sources, it simplifies the search process for candidates and improves visibility for employers.

11. (D) Take Home Salary
Cost to Company represents the total annual expenditure an employer incurs on an employee. It includes fixed components like basic salary, allowances, perquisites, and mandatory employer contributions to funds like the provident fund. Take Home Salary is not a component of CTC itself; rather, it is the net amount an employee receives after various statutory and voluntary deductions.

12. (C) Cost to Company (CTC)
Cost to Company is a comprehensive term indicating the total financial burden an employer bears for an individual employee over a year. This figure encompasses all direct and indirect expenses, including basic salary, variable pay, allowances, and statutory contributions. Unlike the take-home pay, CTC reflects every item of expenditure, such as subsidized meals, insurance, and perquisites provided by the organization.

13. (A) It is part of the operational risk framework for timely corrections.
In the banking sector, employee risk assessment is a vital component of the broader operational risk framework. It involves identifying and mitigating potential risks arising from human actions, such as fraud, errors, or ethical lapses. By implementing systematic evaluations, banks can take timely corrective measures to safeguard public money, maintain organizational integrity, and ensure compliance with regulatory standards and practices.

14. (C) It evaluates personality fit while reducing geographical barriers.
Video interviewing serves as a powerful tool for executive hiring by allowing organizations to assess a candidate's personality and communication style without the constraints of physical distance. It significantly reduces travel costs and time while enabling a more personal connection early in the process. This method facilitates easier coordination among global management teams and helps identify top-tier talent from a wider pool.

15. (D) Benefits of new skills and talent
Internal recruitment is advantageous because it is typically less costly and provides the organization with reliable information about a candidate's past performance. It also boosts employee morale by offering growth opportunities. However, it does not provide the benefit of bringing in new skills or fresh talent from outside the organization, which is a primary advantage of external recruitment methods.

16. (A) Employer branding
Employer branding is the strategic process of positioning an organization as a preferred place to work for a specific target audience. It involves communicating the company's unique values, culture, and benefits to attract and retain high-quality talent. A strong employer brand distinguishes the firm from competitors in the job market and fosters a positive reputation among current and potential employees.

NODIA

17. (A) The new organisational theory advocates that zero attrition is required to keep the organisation on a dynamic mode.
Modern organizational theory suggests that zero attrition is not desirable as it can lead to stagnation or decadence. Instead, a reasonable level of turnover is considered healthy because it allows the organization to remain dynamic and introduces fresh perspectives and creativity. Attrition rates measure the movement of employees out of the company, and management must balance retention with innovation.

18. (A) 1st January 2016
Effective from January 1st, 2016, the Government of India mandated the discontinuation of interviews for recruitment to junior-level positions in Government and Public Sector Organizations. This decision was primarily aimed at curbing corruption, enhancing objectivity, and ensuring a fair selection process based on merit. While interviews were removed, qualifying skill tests or physical tests could still be conducted where necessary.

19. (D) The service conditions for workmen are governed by the provisions of Desai Award and Sastry Award as modified through Bipartite Settlements.
The compensation structure for workmen in Public Sector Banks is governed by the provisions of the Desai Award and Sastry Award, as modified by periodic Bipartite Settlements. These settlements are negotiated between the Indian Banks Association and bank unions to ensure uniform wage packages and service conditions. In contrast, officer staff conditions are generally governed by different regulations and board approvals.

20. (A) They become long-term liabilities that are difficult to remove.
In Public Sector Banks where average performance is often the norm, hiring substandard candidates creates a subtle but significant risk. Such individuals can become long-term liabilities because the rigid service conditions and labor laws make their removal extremely difficult. These employees may hinder organizational efficiency and productivity for decades, representing a persistent cost and operational challenge for the entire institution.

21. (C) GitHub
GitHub is primarily a platform for version control and collaborative software development, not an Applicant Tracking System or task management tool. In contrast, Workable and Taleo are dedicated ATS platforms designed to automate recruitment pipelines and job postings. Trello is a widely used project management software that helps teams organize tasks, while GitHub remains a technical repository for programmers and developers.

22. (B) Developing learning environments and digital HR service models.
The "Organisational Value-Added Role" in HR transformation focuses on enhancing organizational capabilities through technology and learning. This includes developing digital HR service models and creating environments that foster continuous employee development. These activities go beyond traditional administrative tasks, aiming to leverage human capital for competitive advantage and ensuring that the workforce is equipped with modern skills and resources for future success.

23. (D) Job market scenario
External factors in demand forecasting are elements outside the organization's direct control that influence its manpower needs. The job market scenario is a primary external factor, as it reflects the availability of talent and competitive hiring trends. Other factors such as economic climate, technological changes, and legal regulations also play a significant role, whereas budget constraints and business projections are internal.

24. (D) Automatic generation of employee reference and background checks.
Payroll management software provides numerous benefits, such as effective costing through automation and timely notifications for tax payments. It also includes employee calendars to track leaves and overtime. However, the automatic generation of employee reference and background checks is not a standard feature of payroll software. These investigative tasks are typically handled by separate recruitment or security screening systems during the hiring phase.

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Reason (R): A reasonable attrition is required to keep the organisation constantly on a dynamic mode and prevent decadence.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

86. Consider the following statements regarding factors identified in an analysis of heavy attrition in certain industries:
I. Heavy pressure of work without adequate rewards
II. Inadequate training
III. Excellent work-life balance
IV. Limited scope for career growth
Which of the above statements is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) I, III, and IV only
(D) II, III, and IV only

May/June 2023

87. What is the primary benefit XYZ Pvt. Ltd. seeks to achieve by using 'Gapjumpers' during the selection phase?
(A) To evaluate interviews through predictive analytics on video and audio quality.
(B) To conduct blind auditions to avoid harmful biases when screening and evaluating candidates.
(C) To create pre-interview questionnaires to screen out candidates.
(D) To digitize the paperwork required for onboarding new hires.

Oct/Nov 2018

88. Consider the following components regarding the concept of Cost to Company (CTC):
I. Basic salary
II. Allowance (HRA, LTA)
III. Perquisites (rent free accommodations)
IV. Contribution to provident fund
V. Subsidized meals and rent of the office space
Which of the above components are valid in a CTC calculation?
(A) I, II, III, and IV only
(B) I, II, III, IV, and V
(C) I, II, III, and V only
(D) I, III, IV, and V only

May/June 2007

89. Based on the scenario, when the HR Head evaluates the "budget constraints" and "attrition rate", which type of factors are being analyzed for demand forecasting?
(A) External Factors
(B) Internal Factors
(C) Social Factors
(D) Technological Factors

Oct/Nov 2025

90. The following questions consist of two statements, one labeled as 'Assertion (A)' and the other as 'Reason (R)'. Select the correct answer using the codes given below:
Assertion (A): Internal recruitment is generally considered a less costly method compared to external recruitment.
Reason (R): Internal recruitment helps in bringing new skills and talent into the organisation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

May/June 2012

91. Under the newly formulated 'Social Media Policy', which of the following actions by an employee would be strictly prohibited?
(A) Associating themselves with the bank while clearly branding the post as personal.
(B) Using the company logo on a social media platform without prior approval from the concerned authority.
(C) Observing proper copyright and reference laws when posting online.
(D) Participating in an internal discussion forum hosted on the company's Intranet.

33. (B) Poor management skills and lack of coaching.
Industry analysis consistently shows that the quality of management is the most significant factor in employee retention. A large majority of employees leave their organizations because of poor management skills and a lack of effective coaching or support from their direct supervisors. Improving the people-management capabilities of middle managers is therefore a critical strategy for organizations looking to reduce attrition.

34. (B) Only II
Statement II is correct; Take Home Salary is the net amount received after subtracting provident fund contributions and other statutory deductions like income tax from direct benefits. Statement I is incorrect because Cost to Company (CTC) is an inclusive concept that often accounts for every expenditure incurred on an employee, including subsidized meals and the proportional cost of office space or facilities provided.

35. (B) P-3, Q-1, R-4, S-2
An intranet is a private hub for internal communication accessible only to authorized users. Chat rooms serve as forums for specific groups to interact and receive notifications on shared topics. Bots are software programs designed to interact with users via chat mechanisms. Podcasts consist of audio files available for streaming or download, providing a flexible way to distribute information and training.

36. (A) I and II only
Payroll management software is designed to be user-friendly, allowing staff to manage complex calculations without deep technical expertise. It also automates data handling, which speeds up internal processes and saves significant time. Statement III is incorrect because modern software typically facilitates the easy generation of pay slips for employees to keep as official records of their earnings and deductions.

37. (A) To verify integrity for handling public money.
Banks deal directly with public money, making the integrity and moral values of their employees paramount. Conducting rigorous background checks before hiring ensures that prospective employees have no history of fraudulent activity or criminal behavior. This preventative measure is essential to maintain public trust, safeguard financial assets, and minimize the risk of internal fraud or ethical breaches within the banking institution.

NODIA

38. (A) P-3, Q-4, R-1, S-2
In the banking compensation structure, Award Staff consists of clerical and subordinate employees. Scale I is designated as Junior Management, while Scales II and III represent Middle Management roles. Finally, Scales VI and VII are reserved for Top Management. This hierarchical grading ensures that salary levels and responsibilities are clearly defined and aligned across the different levels of the organization's workforce.

39. (A) Only I
The Government of India decided to discontinue interviews for junior-level posts starting January 1st, 2016, to promote transparency and objectivity. Statement I is therefore correct. However, Statement II is incorrect because while interviews were stopped, skill tests or physical tests can still be conducted if they are of a qualifying nature to ensure candidates possess the necessary technical or physical abilities.

40. (B) P-2, Q-1, R-3, S-4
Interest tests focus on an individual's activity preferences to ensure job satisfaction. Graphology tests analyze handwriting to infer personality traits. Aptitude tests are designed to judge how well a candidate can perform specific tasks related to the job. Personality tests evaluate behavioral traits and character to determine if an individual's temperament is suitable for the organizational culture and the specific role.

41. (B) I and II only
Incentive-based compensation can lead to a focus on quantity over quality, as employees may bypass standards to increase output. It can also cause employees to disregard security and safety regulations in pursuit of higher rewards. Statement III is incorrect because incentives often create sectional differences and varying levels of motivation rather than uniformly motivating all employees or eliminating differences within the workforce.

25. (B) It applies game design techniques to achieve specific business goals.
Gamification involves incorporating game design elements and mechanics into non-game contexts, such as business intranets, to drive desired employee behaviors. By using rewards like points, badges, or leaderboards, organizations can increase engagement and motivate staff to achieve specific corporate objectives. This approach leverages the natural human tendency for competition and achievement to improve productivity and foster a more interactive and dynamic work environment.

26. (D) Compensation systems aligned with specific strategic business goals.
Strategic compensation refers to the design and implementation of pay systems that are deliberately aligned with an organization's specific business goals and objectives. Instead of following a generic structure, strategic compensation aims to attract, retain, and motivate employees to perform in ways that support the company's long-term competitive strategy. This approach ensures that financial rewards effectively drive the desired organizational performance.

27. (A) Attrition rate
External factors influencing manpower demand include the competitive environment, economic climate, and rapid changes in technology, as these are outside the organization's immediate control. Attrition rate, however, is considered an internal factor because it relates to the movement of employees within the organization. Understanding both internal and external factors is essential for accurate human resource planning and forecasting future talent needs.

28. (A) $7.1 billion
The online recruitment industry experienced rapid growth in the early 2000s as companies shifted their hiring processes to digital platforms. By the year 2005, the industry had reached an estimated value of $7.1 billion. This growth reflects the increasing reliance on internet-based sourcing and candidate management tools to improve the efficiency and reach of organizational recruitment efforts globally.

29. (C) Scope for resentment and heartburn among existing employees is avoided.
External recruitment often leads to resentment and "heartburn" among existing employees who may feel overlooked for promotions. Therefore, the statement that such resentment is avoided is incorrect and represents a potential advantage of internal recruitment instead. Common disadvantages of external hiring include higher costs, a longer adjustment period for new hires, and the risk of making costly recruitment errors.

30. (D) To manage communication risks and protect the corporate reputation.
Organizations frame social media policies primarily to manage communication risks and protect their corporate reputation. As employees' online presence can impact the company's image, these policies provide guidelines on professional conduct and the protection of confidential information. By setting clear expectations, organizations can mitigate potential legal liabilities and ensure that digital interactions do not conflict with corporate values or business interests.

31. (B) III, V, I, IV, II
The selection process typically follows a logical sequence beginning with screening and preliminary interviews to filter initial applicants. This is followed by selection tests to evaluate specific competencies. Successful candidates then undergo personal interviews, after which reference and background checks are conducted. Finally, the process concludes with the formal selection and job offer to the most qualified individual in the pool.

32. (B) Trello - Sourcing
Trello is a task and project management software used for organizing workflows and tracking progress through boards and cards. It is not categorized as a sourcing tool. Sourcing tools are specifically designed to find and identify potential candidates. Other pairings like Zao for referrals, Workable for candidate management, and SparkHire for selection via video interviewing are correctly identified in recruitment software categories.

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50. (A) P-4, Q-2, R-1, S-3
Benefits and welfare administration involves tracking perks, insurance, and profit sharing. Payroll handling focuses on calculating leaves and overtime for monthly salary credits. Employee record handling involves managing personal details and documents from past and current organizations. Performance management uses department reports to support employee appraisals and incentives, helping the organization monitor and improve the productivity and growth of its workforce.

51. (D) I and III only
A typical social media policy requires employees to distinguish their personal views from the company's official stance and prohibits the unauthorized use of the corporate logo. Statement II is incorrect as organizations strongly discourage the divulging of sensitive internal operations, which could harm the brand's reputation. Clear guidelines help protect intellectual property and ensure that digital interactions align with professional standards.

52. (A) III, I, IV, II
The Human Resource Planning process begins with analyzing organizational plans to understand future objectives. This is followed by demand forecasting to determine how many people will be needed. Next, supply forecasting assesses the availability of internal and external talent. Finally, the organization estimates net human resource requirements to identify any surplus or shortage that must be addressed through strategic action.

53. (A) P-3, Q-1, R-2, S-4
SparkHire is a specialized tool for video interviewing. Gapjumpers provides a platform for "blind auditions" to reduce hiring bias. BambooHR offers a complete HRIS solution that includes onboarding functions. SurveyMonkey can be used to create pre-interview questionnaires that help screen candidates by gathering initial data. These tools leverage technology to make the selection process more efficient, objective, and data-driven for the organization.

54. (B) Only II
Statement II is correct; contracts with recruitment agencies often include penalty clauses to recover costs if a selected candidate fails to join. Statement I is incorrect because professional recruitment agencies typically charge fees to the employer, not the individual applicant. Charging applicants for job placements is generally considered an unethical practice and is not the standard business model for reputable corporate recruitment firms.

55. (A) Budget constraints - Internal Factor
Internal factors for demand forecasting are those within the organization's control, such as budget constraints and business projections. External factors are outside influences, including the attrition rate (when viewed across the industry), technological changes, and the competitive environment. Correctly identifying these factors is essential for accurate manpower planning and ensuring the organization can meet its future human resource needs effectively and sustainably.

NODIA

56. (A) Authentic and narrow to attract specific candidates.
A modern talent brand focuses on being authentic and specific rather than generic. By highlighting the unique culture and values of the organization, it aims to attract candidates who are a true fit for the company. This narrow approach is more effective than high-volume mass advertising because it improves the quality of applicants and reduces the time spent filtering through unsuitable resumes.

57. (A) I, II, and III
Demand forecasting is facilitated by detailed job analysis and predictions about future workforce components. It is equally important to forecast the quality of human resources, such as skills and values, as it is to forecast the quantity. The Delphi Technique is a valid qualitative method involving expert assessments summarized by intermediaries. All three statements correctly describe essential elements of the demand forecasting process.

58. (C) P-3, Q-2, R-1, S-4
Zao is used for managing employee referrals. Trello serves as a task management tool for organizing recruitment workflows. Indeed is a major platform for job posting and reaching a wide audience of candidates. Facebook Graph

plan for better future performance
(D) To maintain secrecy and confidentiality regarding management decisions on promotions to avoid internal workplace competition

May/June 2020

15. All of the following are steps in developing Behaviourally Anchored Rating Scales (BARS) EXCEPT:
(A) Generate Critical Incidents
(B) Develop Performance Dimensions
(C) Reallocate Incidents
(D) Conduct Leaderless Group Discussions

Oct/Nov 2016

16. How is a Performance Management System (PMS) formally defined?
(A) A structured system of evaluating job behaviours to discover reasons for performance and how to perform more effectively in the future
(B) An annual review system designed solely to document employee grievances and administrative decisions regarding internal workplace conflicts
(C) A singular feedback mechanism focused on identifying training needs for lower-level employees to improve specific technical skill sets
(D) An isolated departmental procedure used to calculate the annual bonus and incentive structure for top executives based on quarterly targets

May/June 2009

17. Which statement about the Critical Incidents Method is incorrect?
(A) Supervisors record incidents only at the end of the annual appraisal cycle
(B) The approach focuses on certain critical behaviours that make a difference in performance
(C) It reduces recent biases and bases evaluations on actual job behaviours
(D) A disadvantage is that negative incidents can be prioritized, forgetting the positive ones

Oct/Nov 2021

18. Which experts coined the term 'core competency' in an article in the Harvard Business Review?
(A) C.K. Prahalad and Gary Hamel
(B) Peter Drucker and Gary Hamel
(C) Peter Drucker and C.K. Prahalad
(D) Josh Bersin and C.K. Prahalad

May/June 2025

19. Which of the following is true about Continuous Performance Management?
(A) It relies exclusively on a traditional, one-off annual appraisal conducted at the end of the financial year cycle
(B) It restricts interactions between the manager and employee to formal written communications once a year to maintain records
(C) It discourages authentic workplace relationships to maintain strict professional boundaries between supervisors and subordinates
(D) It involves near-term objectives, regular check-ins, and real-time feedback on an ongoing basis

Oct/Nov 2013

20. What is the conceptual objective of Competency Mapping?
(A) To identify key competencies for a position to support recruitment, training, and succession planning
(B) To rank employees on a normal distribution scale based on their past annual confidential reports from various departments
(C) To cluster employees around a high point on a rating scale to guarantee promotions regardless of their actual job performance
(D) To distribute the workforce into distinct geographic roles without altering their job descriptions or functional responsibilities

May/June 2007

21. All of the following are broad categories of competencies described in the organizational competency framework EXCEPT:
(A) Managerial Competencies
(B) Generic Competencies
(C) Hypothetical Competencies
(D) Technical/Functional Competencies

Oct/Nov 2015

22. In which year and by which organization was the 360-degree appraisal first developed?
(A) 1982 by IBM, USA

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screening responsibilities to hiring managers while recruiters focus on sourcing. The explosion of cloud-driven assessment tools is also a significant trend. Relying solely on Sunday classifieds is an outdated practice and does not reflect current trends, which emphasize digital presence, social sourcing, and highly interactive, data-intensive candidate evaluations.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Many progressive companies have shifted from looking only at fixed salaries to evaluating the total Cost to Company. This is because CTC provides a more accurate picture of the organization's financial commitment, including fixed pay, variable incentives, and all expenditures incurred on an employee. By considering the full cost, companies can better manage their compensation budgets and communicate the total value of the rewards provided to employees.

69. (A) Qualitative expert assessments summarized by HRP intermediaries.
Using the Delphi Technique means the HR department will rely on qualitative assessments from a group of experts. In this method, HRP intermediaries collect and summarize these expert opinions through multiple rounds to reach a consensus on manpower requirements. It is a structured forecasting technique that avoids the pitfalls of direct group interaction while leveraging the collective knowledge and professional judgment of experienced individuals.

70. (C) I, II, IV, and V only
Effective strategies to reduce attrition include enhancing the people skills of middle management, focusing on capability building, and communicating clear growth opportunities. Creating training academies also helps in developing a skilled workforce. However, strictly avoiding communication about compensation is counterproductive, as transparent discussions about total rewards and benefits are essential for maintaining employee trust and engagement in highly competitive industries.

NODIA

71. (A) Take Home Salary = Direct benefits - Employee PF - other deductions if any (like income tax)
Take-home salary is the net cash amount an employee receives after all mandatory and voluntary deductions are taken from their direct benefits. This calculation typically involves subtracting the employee's contribution to the provident fund, professional tax, and income tax from the gross monthly salary. It represents the actual amount available for the employee's personal use, as opposed to the total Cost to Company.

72. (B) I, II, and IV only
Employee risk assessment is a critical part of a bank's operational risk framework, focusing on the potential for fraud or errors due to improper hiring. Negligent hiring lawsuits can arise if an employer fails to provide a safe environment through reasonable care. Hiring substandard candidates is a long-term liability, not a short-term issue, as these employees often remain with the organization for many years.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Incentive-based compensation can indeed lead employees to disregard security and safety regulations. This occurs because the "payment by results" model encourages a focus on maximizing output to achieve higher rewards, which often comes at the expense of following quality standards or safety protocols. Both the assertion and the reason are true, and the reason accurately explains why this behavioral risk exists in performance-linked pay structures.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
It is essential for banks to complete background checks before an employee joins because the institution manages public funds. The ethical and moral standing of employees is critical in preventing financial fraud and maintaining the bank's integrity. Both the assertion and the reason are true, with the reason providing a clear and logical justification for the strict requirement of pre-employment screening in the banking sector.

75. (D) Candidates to answer questions on video in their own time, which can be reviewed later by the team.
SparkHire enables one-way video interviews, allowing candidates to record their answers to predetermined questions at their convenience. This flexibility benefits both the applicant and the hiring team, as the recorded responses can be reviewed later by multiple stakeholders. This tool streamlines the initial screening phase, reduces the need for live scheduling, and provides a consistent way to evaluate a large pool of candidates efficiently.

76. (D) I, II, and IV only
The banking sector has faced attrition due to staff shortages from VRS schemes and high-pressure targets in new banks leading to documentation errors. Successful organizations view reasonable attrition as a positive force for creativity and new ideas. Statement III is incorrect because Public Sector Banks are increasingly concerned about losing key talents like Treasury and Wealth Managers to private competitors.

77. (D) Redesigning and reanalyzing jobs reflecting future activities, skills, and capabilities.
Qualitative demand forecasting focus on the skills and capabilities required for future organizational activities. Redesigning and reanalyzing jobs helps the HR department identify the specific human qualities and expertise needed to market new products effectively. This proactive approach ensures that the organization not only has the right number of people but also individuals with the necessary competencies to meet changing business demands.

78. (D) I, II, III, and V only
Implementing an HRIS provides significant benefits such as automating recurring tasks, reaching larger candidate pools, and easily distributing policy materials. It also reduces compliance issues through automatic reporting and alerts. Manual calculation of provident fund is not a benefit but rather something that HRIS aims to eliminate through automation, thereby increasing accuracy and efficiency in the organization's administrative processes.

79. (C) Assertion (A) is true, but Reason (R) is false.
E-Recruitment is highly cost-efficient and provides access to a large pool of resumes, making the assertion true. However, the reason is false because E-Recruitment tools are not limited to third-party websites; they are frequently integrated into an organization's own website or intranet. This internal accessibility allows companies to manage their hiring processes directly and maintain better control over candidate data and employer branding.

80. (C) Assertion (A) is true, but Reason (R) is false.
The Government of India discontinued interviews for junior-level posts to reduce corruption and ensure objective, merit-based selection, making the assertion true. However, the reason is false because the very decision to remove interviews implies that personality assessment was not deemed an absolute requirement for these specific roles. Instead, selection for these positions now relies more heavily on objective written scores and qualifying technical tests.

81. (C) Interest subsidy on loans
Interest subsidies on loans are considered indirect benefits because they provide a financial advantage to the employee but do not appear as cash in the monthly pay slip. These items inflate the total Cost to Company figure by accounting for the expense the organization incurs to provide the subsidy. Other components like basic salary and HRA are direct benefits that are typically included in the cash payout.

82. (A) I, II, III, IV, and V
Human Resource Planning is a comprehensive process that includes analyzing organizational plans, forecasting both demand and supply, and estimating net requirements. It also involves creating specific plans for recruitment, development, and internal mobility to address future deficits or surpluses. All these steps are essential to ensure the organization maintains an optimal workforce capable of achieving its strategic objectives and adapting to changing business needs.

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83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Human Resource Planning is essential to avoid guesswork in estimating manpower needs, making the assertion true. The reason is also true, as HRP is the process of ensuring the organization has the right people in the right places at the right time. The reason directly explains why HRP is vital for the systematic and efficient management of an organization's most important asset—its people.

84. (C) Forecast the future supply of human resources from all sources.
After analyzing organizational plans and forecasting demand, if a deficit is identified, the next step in the HRP process is to forecast the future supply of human resources. This involves assessing internal talent availability through promotions and transfers, as well as looking at external sources for new hires. Only after understanding the potential supply can the organization finalize its net requirements and create effective recruitment or development plans.

85. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that successful organizations advocate for zero attrition is false, as zero turnover can lead to organizational decadence and a lack of fresh ideas. The reason is true; a reasonable level of attrition is necessary to keep an organization dynamic and innovative. Fresh perspectives brought in by new employees help prevent stagnation, making moderate turnover a healthy characteristic of a thriving and evolving organizational culture.

86. (B) I, II, and IV only
Analysis of high attrition often reveals factors like heavy work pressure without adequate rewards, inadequate training, and limited scope for career growth. These elements combine to drive employees away from an organization. An excellent work-life balance, on the other hand, is a factor that increases employee retention and would not be a cause of heavy attrition in any industry or organizational setting.

87. (B) To conduct blind auditions to avoid harmful biases when screening and evaluating candidates.
Gapjumpers is used in the selection phase to conduct "blind auditions," which allow candidates to prove their skills through performance-based tasks without revealing their identity. This method helps eliminate unconscious biases related to gender, race, or background during the initial screening. By focusing purely on merit and capability, organizations can ensure a fairer selection process and build a more diverse and skilled workforce.

88. (B) I, II, III, IV, and V
A comprehensive Cost to Company calculation includes all direct and indirect expenses incurred on an employee. This encompasses basic salary, allowances like HRA and LTA, and perquisites such as rent-free accommodation. Additionally, it includes employer contributions to the provident fund and smaller costs like subsidized meals or even the proportional rent of office space. Including all these elements provides a complete view of the organizational expenditure.

NODIA

89. (B) Internal Factors
Budget constraints and attrition rates are classified as internal factors in demand forecasting because they originate within the organization. Budget constraints limit the financial resources available for hiring, while the internal attrition rate reflects how many employees are expected to leave the company. Understanding these internal variables allows HR managers to make more accurate predictions about the number of new hires needed to maintain operations.

90. (C) Assertion (A) is true, but Reason (R) is false.
Internal recruitment is indeed less costly than external recruitment because it reduces advertising and orientation expenses, making the assertion true. However, the reason is false because bringing in new skills and talent is a benefit of external recruitment, not internal. Internal recruitment primarily leverages existing skills within the workforce, which can sometimes limit the organization's exposure to fresh perspectives and new industry practices.

Search is a powerful sourcing tool that allows recruiters to find potential talent based on specific profile criteria and connections, leveraging the vast social media network.

59. (A) Only I
Statement I is correct; the architecture of a Human Resource Planning system involves a thorough analysis of the business environment and strategic goals to align workforce needs with company objectives. Statement II is incorrect because the primary purpose of an HRP system is to identify and account for the surplus or shortage of manpower, allowing the organization to plan for recruitment or downsizing.

60. (A) P-3, Q-2, R-4, S-1
Building middle management skills addresses the fact that many employees leave because of their supervisors. Capability building focuses on creating a development-centered ecosystem. Managing expectations involves leadership aligning growth timelines with employee aspirations. Career pathing includes asking long-tenured employees about their career preferences to provide clear advancement opportunities. These strategies combined help organizations improve retention and foster a loyal, motivated workforce.

61. (C) I, II, III, and V only
Good selection practices include preparing detailed job descriptions, using a trained panel for behavioral interviews, and having a standard for comparison. Providing a well-designed training program for new hires is also essential. However, the complete exclusion of line managers is not a good practice, as their input on technical fit and team dynamics is crucial for making effective and informed hiring decisions.

62. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that gamification is strictly prohibited is false, as many modern organizations actively use it to increase engagement. The reason provided is true: gamification employs game mechanics to motivate individuals toward achieving specific business goals. Because organizations find value in these techniques for productivity and learning, the use of gamification is encouraged rather than prohibited in many contemporary business intranets and workflows.

63. (A) I, II, and III only
Core functions of a Human Resource Information System include benefits administration, payroll handling, and performance management. These tools automate recurring tasks and improve data accuracy within the organization. Determining national monetary policy rates is a function of a central bank or government body and is entirely unrelated to the internal human resource management systems of a private or public company.

64. (C) It is an ATS that automates job postings and pipeline management.
Workable is a popular Applicant Tracking System specifically designed to streamline the recruitment process. It automates job postings to multiple boards and helps manage the candidate pipeline from application to hire. By providing a centralized platform for tracking applicants, it improves efficiency, reduces manual administrative tasks, and allows HR teams to focus on evaluating candidates rather than managing spreadsheets and emails.

65. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that the recruitment process is negative is false; recruitment is considered positive because its goal is to attract a large pool of applicants. The reason is true because selection is the process that is characterized as negative, as it focuses on eliminating unqualified applicants. Therefore, while selection is negative due to its exclusionary nature, recruitment remains a positive, talent-attraction-oriented activity.

66. (A) Spreadsheets, email, and post-and-pray job ads
The adoption of modern e-recruiting software and Applicant Tracking Systems marks the end of the traditional reliance on manual spreadsheets, fragmented email communication, and the "post-and-pray" method of job advertising. These newer tools provide a more systematic, automated, and data-driven approach to recruitment, allowing companies to proactively manage their talent pipelines and improve the overall efficiency and effectiveness of hiring.

67. (C) I, II, and IV only
Modern recruitment trends include building diverse talent networks and shifting initial

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an organization can become static, resistant to change, and lose its competitive edge, making moderate turnover a vital component of a dynamic workplace.

99. (D) Coaching employees on building competency rather than vertical growth.
Managing employee expectations involves coaching them to focus on building their competencies and skills rather than expecting constant vertical growth or immediate promotions. This strategy helps align individual career aspirations with the realistic opportunities available within the organization. By fostering a growth mindset centered on professional development, HR can improve employee satisfaction and reduce the frustration that often leads to attrition in highly competitive industries.

100. (D) Assessing risks from improper hiring and potential legal liabilities.
In the banking sector, employee risk assessment extends beyond physical safety to encompass the broader risks associated with improper hiring and potential legal liabilities. This includes identifying candidates who may engage in fraud, ethical violations, or other behaviors that could jeopardize the bank's reputation and financial stability. By systematically evaluating these risks, banks can implement more effective screening and monitoring processes to protect the organization.

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91. (B) Using the company logo on a social media platform without prior approval from the concerned authority.
A typical social media policy strictly prohibits employees from using the company logo without prior official approval. This rule is designed to protect the organization's brand identity and ensure that its intellectual property is not misused. While employees may associate themselves with the company on personal accounts, they must do so within established guidelines that safeguard the bank's reputation and maintain professional standards online.

92. (C) Heavy pressure of work without adequate rewards, specifically the stress of target-linked pay and recovery policies.
Young employees are often driven to leave by the intense pressure of meeting high targets without receiving what they perceive as adequate rewards. The stress associated with target-linked pay and aggressive recovery policies can lead to burnout and dissatisfaction. In competitive sectors like ITES or banking, these factors are primary drivers of attrition, especially when employees feel the work-life balance is severely compromised for insufficient financial gain.

93. (D) Holistic discussions regarding work meaning and career growth.
To increase employee engagement, managers are advised to have holistic discussions that go beyond mere financial compensation. These conversations should focus on the meaning of the work, the employee's contribution to the organization, and clear opportunities for career growth. By addressing both monetary and non-monetary rewards, managers can build a stronger emotional connection with their team, which is a powerful driver of long-term retention.

94. (C) That rigorous criminal background checks and police verifications are conducted prior to hiring.
To mitigate the risk of negligent hiring, organizations must implement rigorous criminal background checks and police verifications before making a final hiring decision. These steps ensure that the organization exercises reasonable care in providing a safe environment and protecting its assets. By verifying a candidate's past, the HR department can avoid hiring individuals with a history of fraudulent or criminal behavior that could harm the company.

95. (A) Develop the people management skills of all middle management.
Since a large majority of employees leave their organizations because of their direct supervisors, developing the people management skills of middle management is a vital retention strategy. Training managers in coaching, empathy, and effective communication can significantly improve the work environment and employee morale. This investment in leadership quality directly addresses the root cause of many resignations and helps foster a more supportive and stable organizational culture.

96. (B) Risks regarding employee health and potential quality bypass.
Incentive-based compensation systems can lead to several disadvantages, such as employees overworking to maximize their earnings, which may negatively impact their health. There is also a risk that quality standards will be bypassed in the pursuit of higher output. Organizations must monitor these performance-linked structures closely to ensure that the drive for productivity does not compromise the well-being of the workforce or service integrity.

97. (A) Negligent hiring due to failure to ensure a safe environment.
Hiring an employee with a concealed criminal past who later commits fraud exposes the bank to lawsuits based on "negligent hiring." This legal concept holds employers liable if they fail to perform adequate due diligence during the recruitment process, resulting in the appointment of an individual who poses a risk to others. Rigorous background checks are essential to demonstrate that the organization took reasonable care in its hiring decisions.

98. (B) A reasonable level of attrition is actually required to pave the way for new thoughts, ideas, and creativity.
In organizational theory, the idea that zero attrition leads to decadence suggests that some level of employee turnover is necessary for health and growth. A reasonable attrition rate allows for the infusion of new talent, fresh ideas, and creative perspectives. Without this movement,

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organizational growth and competitive market advantage
(B) A formal system to measure and evaluate job-related outcomes to determine performance levels and areas for future employee improvement
(C) A strategic planning tool used exclusively by senior management to align human resource strategies with specific organizational culture and business vision goals
(D) An informal mechanism for identifying and developing work performance to establish specific grounds for immediate salary increments and internal staff promotions

Oct/Nov 2010

8. Which of the following statements correctly describes the Forced Choice Method?
(A) Evaluators distribute employees on all points on a normal distribution scale to ensure administrative reporting consistency
(B) The rater indicates which statement in a series of blocks is true or false to ensure the absence of personal biases
(C) The rater records critical behaviors of employees as and when they occur during the annual performance evaluation period
(D) Evaluators use a checklist of Yes or No questions to analyze employee traits for the purpose of identifying leadership potential

May/June 2023

9. Which of the following statements about KRAs is incorrect?
(A) KRAs are derived out of short term objectives
(B) Most roles should ideally include 8 to 12 key result areas
(C) KRAs refer to general areas of outcomes or outputs
(D) KRAs deal with results and not with day-to-day activities

Oct/Nov 2006

10. How many steps are usually involved in the procedure for Behaviourally Anchored Rating Scales (BARS)?
(A) Three steps
(B) Four steps
(C) Five steps
(D) Six steps

May/June 2015

11. A balanced approach to setting KRAs is based on four perspectives. All of the following are valid perspectives EXCEPT:
(A) Organisational perspective
(B) Task perspective
(C) Client perspective
(D) Vendor perspective

Oct/Nov 2019

12. What are Key Result Areas (KRAs)?
(A) Complex behavioural attributes that determine an employee's potential for immediate promotion
(B) A subset of critical incidents used to build Behaviourally Anchored Rating Scales
(C) General areas of outcomes or outputs for which the department's role is responsible, derived out of short-term objectives
(D) Specific performance targets related to attendance, team work, and technical ability recorded in Annual Confidential Reports

May/June 2011

13. Which of the following statements correctly identifies the function of a KPI?
(A) A KPI is a specific, agreed measure of achievement within a KRA that is objective, independent, and standardized
(B) A KPI is an activity-based or outcome-based subjective judgment of an employee's overall personality and team presence
(C) A KPI maps succession possibilities for employees within the organization to ensure leadership continuity for top management
(D) A KPI relies heavily on personal biases to set departmental objectives without considering the broader organizational goals

Oct/Nov 2007

14. What is the primary purpose of an effective feedback mechanism in a performance appraisal system?
(A) To strictly enforce disciplinary actions without employee intervention or any form of external department mediation
(B) To ensure that appraisal ratings conform strictly to a normal distribution curve regardless of individual employee output
(C) To assess organizational progress and allow employees to discuss previous events and

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CHAPTER 10
Performance Management System

May/June 2013

1. Who introduced the concept of Management by Objectives (MBO)?
(A) C.K. Prahalad
(B) Gary Hamel
(C) Josh Bersin
(D) Peter Drucker

Oct/Nov 2017

2. Which statement correctly represents the Appraisal System for lower-level employees in many Public Sector Banks?
(A) Their performance is extensively appraised using the 360-degree appraisal method to capture feedback from all stakeholders
(B) Their performance is assessed using Assessment Centers to build leadership pipelines for potential promotion to officer cadre
(C) Their appraisals are mostly annual confidential reports covering personality traits and general impressions
(D) Their appraisals are strictly future-oriented, heavily utilizing Management by Objectives to set specific quantitative targets

May/June 2022

3. What is the definition of a Competency?
(A) An organizational capability that restricts employees to repetitive routine functions to maximize quantitative output in a manufacturing environment
(B) A specific, agreed measure of achievement within a KRA that provides objective assessment for determining the efficiency of annual operational goals
(C) An underlying characteristic of a person which enables him/her to deliver superior performance in a given job, role or a situation
(D) An advanced technological resource that a firm uses to distinguish its products from its competitors to gain a larger share of the local market

Oct/Nov 2011

4. Which statement regarding Management by Objectives (MBO) is incorrect?
(A) It is rated against the achievement of objectives stated by the management
(B) It assesses performance through frequent review meetings between the manager and the subordinate
(C) It increases role conflict and ambiguity within the organization
(D) It helps individual managers develop personal leadership skills

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May/June 2005

5. What is the fundamental difference between the "What" and the "How" in performance assessment?
(A) "What" refers to the skills and competencies used, while "How" refers to the business objectives achieved by the department
(B) "What" evaluates accomplishments and value, while "How" evaluates skills and alignment with corporate values
(C) "What" focuses on future potential, while "How" focuses on past performance records stored in the human resource database
(D) "What" identifies training needs, while "How" calculates the appropriate compensation revisions for the next fiscal year

Oct/Nov 2024

6. All of the following represent the elements of SMART KPIs EXCEPT:
(A) Specific
(B) Subjective
(C) Measurable
(D) Time-bound

May/June 2018

7. What is the most comprehensive definition of Performance Appraisal?
(A) A continuous evaluation process where employees evaluate their peers and supervisors to ensure long-term

(B) 1992 by General Electric (GE), USA
(C) 1943 by the US Armed Forces
(D) 1995 by Reliance Industries, India

May/June 2024

23. What distinguishes the Performance Management Cycle's "Review" phase from the "Revise" phase?
(A) Review involves prioritizing what needs to be done, while Revise involves managing operational risk through system implementation
(B) Review ensures proper systems are in place, while Revise gathers feedback from users regarding their daily workplace experience
(C) Review changes plans for future action, while Revise identifies current performance gaps using established organizational benchmarks
(D) Review understands action impacts and stakeholder experiences, while Revise uses lessons to modify future plans

Oct/Nov 2012

24. Which of the following is incorrect regarding the 360-Degree Appraisal?
(A) It evaluates the performance of the employee by six parties, including himself
(B) It can be intimidating and threatening due to feedback from multiple sources
(C) It is useful to measure inter-personal skills and customer satisfaction
(D) It is completely immune to the lack of training among raters

May/June 2010

25. Which statement accurately reflects the Assessment Centre Approach Method?
(A) It relies solely on a face-to-face interview conducted by the immediate supervisor during the end-of-year review meeting
(B) It involves evaluators judging performance in several situations using criteria like in-basket exercises and management games
(C) It forces the distribution of employees into predefined percentage categories based on their overall contribution to the team
(D) It is an entirely past-oriented method used primarily for compensation reviews and determining the eligibility for annual bonuses

Oct/Nov 2018

26. How is 360 Degree Appraisal defined?
(A) An appraisal made exclusively by top management and external customers to evaluate the organization's market standing
(B) An appraisal conducted globally across 360 branches of an organization to standardize competency mapping
(C) An evaluation system strictly confined to assessing the functional and technical competencies of an individual
(D) An appraisal made by top management, immediate superior, peers, subordinates, self, and customers

May/June 2021

27. All of the following are considered past-oriented methods of performance appraisal EXCEPT:
(A) Assessment Centre Approach
(B) Rating Scales
(C) Forced Choice Method
(D) Critical Incidents Method

Oct/Nov 2005

28. Most roles typically include how many key result areas to prevent employees from being overloaded?
(A) 1 to 2
(B) 3 to 5
(C) 6 to 8
(D) 8 to 10

May/June 2016

29. Which of the following statements is incorrect regarding the Trait Analysis method?
(A) It uses a checklist of statements of traits in the form of Yes or No based questions
(B) The rater only does the reporting or checking
(C) It is a highly future-oriented method focusing on potential
(D) The HR department does the actual evaluation

Oct/Nov 2025

30. How do 'Resources' differ from 'Capabilities' in the context of core competencies?
(A) Resources are the organizational skills at integrating teams, whereas Capabilities are the inputs like human or financial capital
(B) Resources are strictly intangible, whereas Capabilities are always physical and technological assets used in the production line

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

80. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Management by Objectives (MBO) reduces role conflict and ambiguity for subordinates.
Reason (R): MBO involves setting performance goals in a conference between the management and the concerned subordinate.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

81. After a year of operating under MBO, the director reviews goals achieved. What is the immediate next step in the process?
(A) Laying off the lowest performing 10% based on the final achievement score of the annual performance cycle
(B) Creating an in-basket exercise for the managers to test their organizational skills for the next financial year
(C) Identifying reasons for shortfall and giving feedback for improvement
(D) Reallocating critical incidents to ensure the behavioral anchors remain relevant to the current market situation

Oct/Nov 2008

82. Consider the following statements about past-oriented appraisal methods:
I. Rating Scales suffer from rater's biases.
II. Trait Analysis requires HR to do the actual evaluation based on the rater's checking.
III. Forced Choice Method completely eliminates the need for HR department involvement in actual assessment.
IV. Forced Distribution assumes that performance is conformed to a normal distribution.
V. Critical Incidents Method relies on overly close supervision, which is one of its disadvantages.
Which of the above statement(s) is/are correct?
(A) I, II, IV, and V
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, III, IV, and V

May/June 2017

83. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Today's dynamic environment has triggered the need for continuous evaluation of performance.
Reason (R): The usual grace period has shrunk to a few weeks, making a yearly traditional appraisal insufficient on its own.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

84. Upon implementing BARS, the HR director presents the results. Which advantage can be correctly attributed to the new BARS system?
(A) It relies solely on self-assessment without requiring rater independence or any form of external oversight by the board
(B) It requires no formal training and is the lowest-cost method available for organizations with limited human resource budgets
(C) It provides more accurate judgments, establishes clear standards, and gives good feedback
(D) It clusters employees around a forced normal distribution curve to manage compensation and annual bonus payouts

May/June 2013

85. The following questions consist of two statements — Assertion (A) and Reason (R).

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(D) I, II, and III

May/June 2012

37. What is the biggest complaint from employees regarding the performance management process?
(A) That the process is not equitable and fair
(B) That they are not given enough guidelines on how to assess people
(C) That the process overly relies on future-oriented methods
(D) That self-assessment is completely ignored in the system

Oct/Nov 2014

38. Match the proficiency levels of a Competency Matrix for an 'HR Manager' in List I with the scores provided in List II.
List I: (Competencies)
P. Communication
Q. Conflict resolution
R. Employee relations
S. Compensation
List II: (Scores)
1. 3
2. 5
3. 5
4. 4
(A) P-4, Q-2, R-3, S-1
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-1, R-2, S-3

May/June 2008

39. Consider the following statements regarding BARS (Behaviourally Anchored Rating Scales):
I. BARS provides independence to the rater.
II. BARS eliminates the need to generate critical incidents.
Which of the above statements is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2008

40. Match the Past-Oriented appraisal methods in List I with their key characteristics in List II.
List I: (Methods)
P. Trait Analysis
Q. Forced Choice Method
R. Forced Distribution Method
S. Critical Incidents Method
List II: (Characteristics)
1. Clustered around a high point on a rating scale assuming normal distribution
2. Focuses on specific behaviours of employees that make a difference in performance
3. Rater indicates which statement in a block of two or more is true or false
4. Checklist of statements in the form of Yes or No based questions
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-1, R-3, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2017

41. Consider the following statements regarding Key Performance Indicators (KPIs):
I. They may be quantitative or qualitative.
II. They are ratings or judgments of performance.
III. They are objective, independent, and standardized measures of performance.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) Only I and III
(D) I, II, and III

Oct/Nov 2023

42. What is the overarching goal of integrated talent management strategies?
(A) To completely replace line managers with HR professionals for all performance appraisals
(B) To focus exclusively on laying off poor performers during an economic downturn or crisis
(C) To improve the leadership pipeline and workforce skills to meet organizational needs
(D) To ensure that performance appraisals consist solely of self-assessments by individual staff

May/June 2013

43. Which of the following is correctly paired regarding KPI parameters?
(A) Quality KPI - Amount spent vs. benefit
(B) Time KPI - Speed of delivery (emergency response)
(C) Quantity KPI - Grievances of employees

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(D) Cost KPI - Number of units produced

Oct/Nov 2017

44. Match the steps for arriving at a KRA in List I with their sequence in List II.

List I: (Steps)

P. Talk to individual team members

Q. Identify day to day activities and derive key result areas

R. Document them and allocate a timeline

S. Communicate KRAs to the team members

List II: (Sequence)

1. Step 2
2. Step 4
3. Step 1
4. Step 3

(A) P-3, Q-1, R-4, S-2

(B) P-1, Q-2, R-3, S-4

(C) P-3, Q-4, R-1, S-2

(D) P-4, Q-3, R-2, S-1

May/June 2022

45. Consider the following statements regarding BARS (Behaviourally Anchored Rating Scales):

I. It supports the claim of providing better, more equitable appraisals.

II. Persons with knowledge of the job are asked to describe critical incidents.

III. The dimensions generated are highly dependent on each other, reducing accuracy.

Which of the above statement(s) is/are correct?

(A) Only I and II

(B) Only II and III

(C) Only I and III

(D) I, II, and III

Oct/Nov 2011

46. What is the primary reason for using competency-based interviews during the selection process?

(A) To map succession possibilities for retiring employees within the organizational hierarchy

(B) To reduce the risk of a costly hiring mistake and increase the likelihood of selecting the right person

(C) To distribute employees on a normal rating scale prior to their joining the functional department

(D) To ensure that candidates can navigate the 360-degree feedback software used for internal reviews

May/June 2005

47. Consider the following statements regarding the 360-Degree Appraisal:

I. It is exclusively used to evaluate technical targets and never used for qualities like values or ethical standards.

II. The typical approach is to have two from above, two below and at least one each from a parallel role, or outside, appraising the manager.

Which of the above statements is/are correct?

(A) Only I is correct

(B) Only II is correct

(C) Both I and II are correct

(D) Neither I nor II is correct

Oct/Nov 2024

48. Match the phases of the Performance Management Cycle in List I with their descriptions in List II.

List I: (Phases)

P. Plan

Q. Do

R. Review

S. Revise

List II: (Descriptions)

1. Using lessons learned to change plans for more efficient future action
2. Understanding impact of actions and speaking to stakeholders about their experience
3. Understanding current performance and prioritizing what needs to be done
4. Ensuring proper systems are in place and taking action to manage risk

(A) P-3, Q-4, R-2, S-1

(B) P-4, Q-3, R-1, S-2

(C) P-3, Q-2, R-4, S-1

(D) P-2, Q-4, R-1, S-3

May/June 2018

49. Which of the following is incorrectly paired regarding the type of competency and its example?

(A) Managerial Competencies - Environmental management and finance

(B) Core Competencies - Integrity and time management

(C) Generic Competencies - Communication and initiative

(D) Technical/Functional Competencies - Finance and compensation

NODIA

Oct/Nov 2010

50. Match the Assessment Centre techniques in List I with what they primarily measure in List II.
List I: (Techniques)
P. Simulation games and in-basket exercises
Q. Oral report made by the candidate
R. Personal interviews and projective tests
S. Paper and pencil tests
List II: (Measurements)
1. Communication skills and insights into the present position
2. Intellectual ability
3. Organisational and planning abilities
4. Work motivation, career orientation and dependence on others
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2023

51. Consider the following statements regarding the benefits of the Management by Objectives (MBO) method:
I. MBO forces and aids in planning.
II. MBO provides more objective appraisal criteria.
III. MBO makes managers less likely to compete with themselves.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) Only I and III
(D) I, II, and III

Oct/Nov 2006

52. Arrange the following steps of a typical Performance Appraisal Process in the correct chronological order:
I. Measure Actual Performance
II. Discuss the Appraisal with the Employee
III. Establish Performance Standards
IV. Communicate Performance expectations to concerned employee
V. Compare actual performance with standards
(A) III, IV, I, V, II
(B) III, I, IV, II, V
(C) IV, III, I, V, II
(D) III, IV, V, I, II

May/June 2015

53. Match the KPI metric categories in List I with their corresponding examples in List II.
List I: (Categories)
P. Quantity
Q. Quality
R. Cost
S. Time
List II: (Examples)
1. Variance against budget
2. Speed of delivery
3. Number of units processed
4. Error rate or reworks
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-1, R-4, S-2
(D) P-1, Q-2, R-3, S-4

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Oct/Nov 2019

54. Consider the following statements regarding core competencies:
I. Core competencies are flexible and develop with time; they do not remain rigid and fixed.
II. Organizational capabilities are generally a result of organizational systems, processes, and control mechanisms.
Which of the above statements is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2011

55. Which of the following is correctly paired regarding appraisal methods?
(A) Assessment Centre - Uses simulation games to test organizational and planning abilities
(B) Pen Portrait - Mostly used by government departments in the form of Annual Confidential Reports
(C) Trait Analysis - Evaluator indicates which statement in a block of two is true or false
(D) Rating Scales - Heavily relies on future-oriented objective setting

Oct/Nov 2007

56. What is the primary benefit of having an effective feedback mechanism in the appraisal system?
(A) It increases system transparency and reduces threat through objective checks and

likelihood of selecting the right person for the right job.
Reason (R): Competencies enable the establishment of clear high-performance standards against which factual data can be analyzed.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

69. During the BARS development process, the HR team asks experts to reallocate critical incidents. When is a critical incident retained?
(A) If 50 to 70% of the second group assigns it to the same cluster as the previous group did
(B) If 100% of the second group agrees on its classification based on standard departmental guidelines and protocols
(C) If the incident relates exclusively to future potential rather than past performance outcomes recorded in the cycle
(D) If the incident can be quantified strictly into a numerical output without any additional behavioural context

Oct/Nov 2005

70. Consider the following statements about establishing KRAs and KPIs:
I. The Performance Plan is constructed by the manager and employee working co-operatively.
II. Identifying KRAs helps align roles to the organization's business plan.
III. Setting 8 to 10 KRAs is ideal to ensure employees do not delegate effectively.
IV. A balanced approach to setting KRAs considers organizational, client, task, and interpersonal perspectives.
V. KPIs should be Specific, Measurable, Attainable, Realistic, and Time-bound (SMART).
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2016

71. A bank uses an Assessment Centre to evaluate officers for promotion. Candidates deliver an oral report to the evaluators. What does this test?
(A) Communication skills and insights into the present position
(B) Intellectual ability and analytical reasoning
(C) Organizational and planning abilities
(D) Work motivation and career orientation

Oct/Nov 2025

72. Consider the following statements regarding Organisational Support Factors for Appraisal Systems:
I. Performance evaluation aids in the assessment of the progress of the organization as a whole.
II. Without appraisals, managers can only guess if employees are working towards organizational goals.
III. A good system must have an effective feedback mechanism to discuss previous events and future plans.
IV. A provision for review with a higher authority is discouraged as it threatens the immediate appraiser's authority.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, III, and IV

May/June 2019

73. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Without appraisals, managers of any firm can only guess as to whether or not employees are working towards the realization of organization goals.
Reason (R): Performance evaluation provides a central mechanism that gives feedback to individuals and aids in assessing the progress of the organization as a whole.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.

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Read the statements and choose the correct option.
Assertion (A): In many Public Sector Banks, the appraisal for clerical and sub-ordinate staff is mostly in the form of annual confidential reports rather than modern tools like BARS.
Reason (R): The roles of clerical staff are largely confined to maintaining and assisting officer cadre employees, making extensive modern appraisal tools less necessary.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

63. Consider the following statements regarding 360-Degree Appraisal:
I. It was first developed by General Electric in 1992.
II. The performance is evaluated exclusively by the employee's peers.
III. It can be intimidating because multiple raters may not be trained in the system.
IV. It is highly useful in terms of broader perspective and greater self-development.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, III, and IV

Oct/Nov 2015

64. In the same MNC, a candidate applying for the position of HR Head is being assessed. According to the company's competency matrix, what level of proficiency must the candidate demonstrate in 'Decision-making (core)'?
(A) 2
(B) 3
(C) 4
(D) 5

May/June 2024

65. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): The Forced Distribution Method assumes that employee performance conforms to a normal distribution.
Reason (R): Raters are compelled to cluster employees around a high point on the rating scale, which eliminates central tendency errors.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

66. If the regional director at the financial services firm had implemented MBO correctly through mutual goal setting, which of the following benefits would the firm most likely experience?
(A) Increased employee motivation and early identification of problems
(B) A highly secretive evaluation process akin to confidential records
(C) Managers becoming more likely to compete with other managers rather than themselves
(D) An increase in role conflict and ambiguity

May/June 2010

67. Consider the following statements regarding Key Result Areas (KRAs):
I. KRAs help individuals focus on activities rather than results.
II. They align individual roles to the organization's business or strategic plan.
III. Most roles should ideally include 3 to 5 KRAs.
IV. KRAs are strictly derived from long-term objectives extending beyond five years.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) III and IV
(D) I, II, and IV

Oct/Nov 2018

68. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Competency-based interviews during the selection process increase the

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(C) Resources directly create customer value, whereas Capabilities only reduce operational costs in the short-term business cycle
(D) Resources are inputs in the production process, whereas Capabilities refer to organizational skills at integrating resources

May/June 2019

31. Arrange the following steps of Competency Model Building in the correct chronological order:
I. Select a data collection method and plan the approach
II. Identify main themes or patterns, build the model and review the model
III. Decide on the occupation/job position(s) that require competency model(s)
IV. Organize the collected data
V. Discuss the application of the competency model
(A) III, V, I, IV, II
(B) V, III, I, II, IV
(C) I, III, V, IV, II
(D) III, I, V, IV, II

Oct/Nov 2009

32. Which of the following is incorrectly paired regarding appraisal methods and their disadvantages?
(A) Critical Incidents Method - Negative incidents can be prioritized, forgetting the positive ones
(B) Rating Scales - Highly time consuming and requires extensive formal training for the rater
(C) Forced Distribution Method - Assumption of normal distribution is unrealistic
(D) Assessment Centre - Costly and time consuming; ratings strongly influenced by assessee's inter-personal skills

May/June 2014

33. Which of the following best describes the "What" factor in performance assessment?
(A) The employee's specific skills and technical competencies required for daily tasks
(B) The value delivered to the organization and the achievement of business objectives
(C) The employee's alignment with corporate values and their general workplace conduct
(D) The specific training and development programs the employee has attended during the year

Oct/Nov 2022

34. Consider the following statements regarding Confidential Records:
I. They are mostly used by modern, new-generation private banks.
II. The feedback to the assessee is generally given only in case of an adverse entry.
Which of the above statements is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2006

35. Match the Future-Oriented appraisal methods in List I with their features in List II.
List I: (Methods)
P. Management by Objectives
Q. Assessment Centre Approach
R. BARS
S. 360-Degree Appraisal
List II: (Features)
1. Evaluates employees through in-basket exercises and management games
2. Develops performance dimensions and scales incidents as behavioural anchors
3. Collects feedback from superior, peers, subordinates, self, and customers
4. Assesses performance against goals set in a conference between management and subordinate
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-2, Q-3, R-1, S-4
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2020

36. Consider the following statements regarding Competency Mapping:
I. It helps identify training needs and talent gaps.
II. It induces fresh thinking and fosters innovation.
III. It is only applicable to entry-level recruitment and not to succession planning.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) Only I and III

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(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

74. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Receiving feedback from multiple sources in a 360-degree appraisal can sometimes be intimidating and threatening to the employee.
Reason (R): Multiple raters may not be trained in the system and might be less adept at providing balanced and objective feedback.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

75. A financial services firm implements Management by Objectives (MBO). The regional director independently assigns annual goals for all branch managers via email. Which step did the director miss?
(A) Identifying critical incidents before distributing the targets to ensure the appraisal focuses on specific job behaviours
(B) Utilizing a forced distribution curve to allocate the goals based on the overall performance of the regional sector
(C) Conducting a 360-degree appraisal before finalizing targets to include feedback from subordinates and local customers
(D) Establishing goals in a conference between the management and the concerned subordinate

Oct/Nov 2022

76. Consider the following statements regarding Assessment Centers:
I. It is mostly used to help select employees for the first level supervisory positions.
II. Evaluators are drawn from inexperienced, entry-level staff to ensure neutrality.
III. Each candidate is given one of four categories, such as more than acceptable or less than acceptable.
IV. Feedback on a face-to-face basis is administered to all candidates who ask for it.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, III, and IV

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May/June 2006

77. A multinational company is refining its Competency Matrix. They have two roles: an HR Head and an HR Manager. If the HR Manager undergoes an evaluation on 'Compensation (functional)' competency, what is the expected proficiency level on a scale from 1 to 5?
(A) 2
(B) 3
(C) 4
(D) 5

Oct/Nov 2020

78. Consider the following statements representing Performance Management Best Practices:
I. Identify the goals of your performance management initiatives.
II. Keep it professional, not personal.
III. Depend strictly on annual reviews without incorporating multiple-source feedback.
IV. Recognize and reward performance publicly and frequently.
V. Realize that problems are always employee-based.
Which of the above statement(s) is/are correct?
(A) I, II, and IV
(B) I, II, III, and V
(C) II, IV, and V
(D) I, III, IV, and V

May/June 2012

79. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Continuous Performance Management processes take place throughout the year on an ongoing basis.
Reason (R): It represents a shift back to traditional, one-off annual appraisals due to the failure of real-time feedback systems.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

balances
(B) It guarantees an immediate salary hike for all employees regardless of their final rating
(C) It forces the immediate supervisor to overlook negative critical incidents during the review
(D) It automatically updates the organization's strategic business plan based on staff feedback

May/June 2020

57. Consider the following statements regarding the Performance Management Cycle:
I. Plan phase prioritizes what needs to be done.
II. Do phase involves ensuring proper systems are in place and managing risk.
III. Revise phase ignores lessons learned to establish completely new goals.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) Only I and III
(D) I, II, and III

Oct/Nov 2016

58. Match the types of Competencies in List I with their appropriate descriptions/examples in List II.
List I: (Types)
P. Core Competencies
Q. Generic Competencies
R. Managerial Competencies
S. Technical/Functional Competencies
List II: (Descriptions)
1. Essential for employees with supervisory responsibility (e.g., leveraging relationships)
2. Essential to perform any job within a defined area of work (e.g., environmental management)
3. Essential for all employees regardless of function (e.g., listening, initiative)
4. Apply to all employees and relate to the company's high-level values (e.g., integrity)
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-1, S-2
(C) P-4, Q-1, R-2, S-3
(D) P-1, Q-2, R-4, S-3

May/June 2009

59. Consider the following statements regarding Management by Objectives (MBO):
I. MBO helps and increases employee motivation.
II. MBO increases role conflict and ambiguity.
Which of the above statements is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2021

60. Match the Goals of Performance Appraisals in List I with their specific examples in List II.
List I: (Goals)
P. Developmental Use
Q. Administrative Decisions/Uses
R. Organisational Maintenance
S. Documentation
List II: (Examples)
1. Validation Research and Legal Requirements
2. Retention/Termination and Lay offs
3. HR Planning and Training Needs Analysis
4. Individual needs and Strengths and Development needs
(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

May/June 2025

61. Consider the following statements regarding Competencies:
I. 'Core Competence' creates distinct value to organizational capabilities.
II. Analytical Thinking involves independently researching information and finding solutions to issues.
III. Key Behavioral Indicators include breaking problems into component parts.
IV. Generic Competencies include communication, initiative, and listening.
V. Technical/Functional Competencies apply universally across all departments in an organization regardless of work area.
Which of the above statement(s) is/are correct?
(A) I and IV
(B) I, II, and V
(C) II, III, and IV
(D) I, IV, and V

Oct/Nov 2013

62. The following questions consist of two statements — Assertion (A) and Reason (R).

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Read the statements and choose the correct option.
Assertion (A): Key Result Areas (KRAs) should preferably be purely qualitative to deal with day-to-day routine activities.
Reason (R): The more quantitative the KRAs, the easier they are to track and align with organizational goals.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

86. Consider the following statements regarding Integrated Talent Management:
I. It integrates business strategy, HR strategy, talent management processes, and organizational culture.
II. It is designed to improve the leadership pipeline and workforce skills.
III. Almost two-thirds of HR organizations are building integrated talent management strategies.
IV. It treats HR processes solely as separate, siloed functional processes.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

May/June 2022

87. The MNC uses the competency gap analysis from these matrices to ramp up internal bench strength and fill key positions without recruiting new external hires. This specific action best illustrates which application of competency mapping?
(A) Job evaluation
(B) Succession planning
(C) Assigning compensation grades
(D) Downsizing and layoffs

Oct/Nov 2011

88. Consider the following statements regarding the steps in the Performance Appraisal Process:
I. Establishing performance standards should ensure they are clear, not vague, and objective enough to be measured.
II. Performance expectations must be communicated to the concerned employee.
III. Actual performance is measured using sources like personal observation, statistical, oral, and written reports.
IV. The appraisal outcome is never discussed with the employee to prevent workplace conflicts.
V. Initiating corrective action is the final step, and negative actions should be the last resort.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

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May/June 2005

89. A large public sector bank decides to transition its Branch Manager appraisals to Behaviourally Anchored Rating Scales (BARS). What is the first step in this process?
(A) Reallocate gathered critical incidents to a secondary group of evaluators for classification into defined performance clusters
(B) Ask persons with job knowledge to describe specific illustrations of effective and ineffective performance behaviour
(C) Develop performance dimensions by clustering various management tasks into five or ten distinct and measurable sets
(D) Scale the incidents to build a final evaluation instrument using a numerical system for objective annual appraisal

Oct/Nov 2024

90. The following questions consist of two statements — Assertion (A) and Reason (R). Read the statements and choose the correct option.
Assertion (A): Core competencies of an organization must remain rigid and fixed regardless of the changing environment.
Reason (R): Core competencies help an organization distinguish its products from rivals and attain a competitive advantage.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

ANSWERS

1. (D) Peter Drucker
Peter Drucker introduced the management concept known as Management by Objectives in 1954. This strategic model focuses on defining clear goals that are mutually agreed upon by management and employees. By aligning individual tasks with organizational targets, it improves performance and provides a clear framework for measuring success. This collaborative process increases motivation and ensures all staff work toward shared objectives.

2. (C) Their appraisals are mostly annual confidential reports covering personality traits and general impressions
Public Sector Banks frequently utilize annual confidential reports to appraise clerical and subordinate staff. These reports focus on personality traits, general impressions, and conduct rather than quantitative targets. This traditional approach primarily serves administrative purposes like promotions or transfers. It differs from modern, objective-based systems as it often maintains secrecy and provides limited developmental feedback to the employees being evaluated.

3. (C) An underlying characteristic of a person which enables him/her to deliver superior performance in a given job, role or a situation
Competency refers to the underlying characteristics of an individual, including skills, knowledge, and behaviors, that enable effective or superior job performance. Unlike basic job descriptions, competencies focus on how an individual applies their attributes to achieve specific outcomes. They are essential for recruitment, training, and succession planning, providing a clear benchmark for professional excellence and organizational success in a modern environment.

4. (C) It increases role conflict and ambiguity within the organization
Management by Objectives is designed to reduce role conflict and ambiguity by defining expectations through mutual goal setting. By involving subordinates in the objective-setting process, the system ensures better alignment between individual tasks and organizational targets. Claiming it increases conflict is incorrect, as its primary purpose is to provide clarity, motivation, and a structured path for professional development and evaluation.

5. (B) "What" evaluates accomplishments and value, while "How" evaluates skills and alignment with corporate values
In performance assessment, the factor representing results evaluates tangible accomplishments and the value delivered to the organization. Conversely, the method of achievement evaluates the behaviors, skills, and competencies used to reach those goals, including alignment with corporate values. Balancing both aspects ensures that employees meet their business objectives while maintaining the cultural and ethical standards expected within the company.

6. (B) Subjective
The SMART acronym stands for Specific, Measurable, Attainable, Realistic, and Time-bound. These criteria ensure that performance indicators are clear and objective. Subjectivity is the opposite of what these goals aim to achieve, as indicators must be based on factual data rather than personal opinions. Effective performance measurement relies on standardized metrics that provide a transparent and unbiased view of progress.

7. (B) A formal system to measure and evaluate job-related outcomes to determine performance levels and areas for future employee improvement
Performance appraisal is a formal, structured system used to measure and evaluate an employee's job-related outcomes and behaviors. It identifies the current level of performance while highlighting specific areas for future improvement and development. This process helps organizations make informed decisions regarding compensation and training, ultimately aligning individual efforts with the broader

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(D) Five

Oct/Nov 2007

98. To improve customer service, the Branch Manager wants to set a "Time" based KPI. Which of the following is the most appropriate metric?
(A) Variance against budget
(B) Average call response time
(C) Complaints and compliments received
(D) Number of new innovative ideas introduced

May/June 2020

99. A Branch Manager is formulating her Individual Performance Plan. She identifies "Employee Cost Reduction" as a Key Result Area (KRA) and aims for a 6% p.a. reduction. Which of the following Key Performance Indicators (KPIs) would best measure this specific KRA?
(A) Average sales turnover per employee
(B) Value added per employee
(C) Increase in beneficiary coverage
(D) Employment costs as a percentage of operating costs

Oct/Nov 2016

100. While Project Leads appreciate the broader perspective, what is a primary negative consequence the department must manage?
(A) It guarantees an immediate promotion for every employee reviewed during the initial pilot phase of the program
(B) It is restricted to evaluating only hard technical skills and ignores behavioral traits necessary for leadership
(C) It completely replaces the need for any corporate strategy alignment by focusing solely on individual feedback
(D) Feedback from multiple untrained sources can be intimidating and threatening, providing unbalanced feedback

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32. (B) Rating Scales - Highly time consuming and requires extensive formal training for the rater
Rating scales are known for being relatively simple and inexpensive to develop and administer. They do not typically require extensive formal training or a significant time commitment compared to more complex methods like Assessment Centres. The primary disadvantages of rating scales are the potential for various rater biases, such as leniency or the halo effect, rather than being excessively time-consuming.

33. (B) The value delivered to the organization and the achievement of business objectives
The achievement factor in performance assessment evaluates the tangible results and the value an employee delivers to the organization. It measures the accomplishment of specific business objectives, targets, and Key Result Areas. While the behavioral factor looks at the competencies used, this outcome-oriented factor is focused strictly on the results and contributions of the individual during the evaluation period.

34. (B) Only II is correct
Confidential records are a traditional appraisal method, most commonly used in government departments and older public sector organizations. A key characteristic of this system is that feedback is typically only provided to the employee if an adverse entry is made. Otherwise, the records remain secret, providing limited opportunity for the individual to learn and grow from the performance evaluation process.

35. (A) P-4, Q-1, R-2, S-3
Management by Objectives involves setting goals during conferences between management and subordinates. Assessment Centres use situational exercises to evaluate potential. Behaviourally Anchored Rating Scales develop performance dimensions using specific behavioral anchors. 360-Degree Appraisal collects feedback from various stakeholders. These future-oriented methods focus on development, goal achievement, and the future potential of employees within a modern and professional organizational framework.

36. (A) Only I and II
Competency mapping is a versatile tool that helps organizations identify training needs, talent gaps, and fosters innovative thinking by encouraging employees to look beyond traditional job roles. However, it is not limited to entry-level recruitment; it is highly relevant for succession planning by identifying individuals with potential for future leadership. Therefore, the statements regarding talent gaps and innovation are accurate.

37. (A) That the process is not equitable and fair
The most common grievance employees have regarding the performance management process is the perception that it lacks fairness and equity. Employees often feel that ratings are subjective, influenced by personal biases, or do not accurately reflect their actual contributions. Ensuring that the appraisal system is transparent, objective, and applied consistently is vital for maintaining employee trust and motivation throughout the cycle.

38. (A) P-4, Q-2, R-3, S-1
A competency matrix assigns required proficiency levels to different roles within an organization. For an HR Manager, specific scores reflect the importance of each competency, such as communication or conflict resolution. These numerical scores help in identifying skill gaps and tailoring development programs to ensure that the manager meets the professional standards and behavioral expectations required for their role.

39. (A) Only I is correct
Behaviourally Anchored Rating Scales provide independence to the rater by offering clear, job-specific behavioral descriptions for each performance level. However, generating critical incidents is a fundamental and necessary step in creating these scales, not something it eliminates. These incidents serve as the anchors for the scale, ensuring that the evaluation is based on actual, observable behaviors related to the specific job.

40. (A) P-4, Q-3, R-1, S-2
Trait Analysis uses checklists of Yes/No questions. The Forced Choice Method requires raters to select from blocks of statements to reduce bias. The Forced Distribution Method assumes performance follows a normal distribution curve. The Critical Incidents Method focuses on recording specific behaviors that impact

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strategic objectives and mission of the entire company.

8. (B) The rater indicates which statement in a series of blocks is true or false to ensure the absence of personal biases
The Forced Choice Method requires the rater to choose between several statements describing employee behavior. Each block contains two or more statements, and the evaluator indicates which is most or least applicable. This technique is designed to reduce personal bias and central tendency errors, as the rater does not know the specific weighting or scoring assigned to the individual statements.

9. (B) Most roles should ideally include 8 to 12 key result areas
Key Result Areas should be limited to avoid overwhelming employees with too many competing priorities. Most roles typically include three to five such areas rather than eight to twelve. These areas represent the essential outcomes for which a position is held responsible. Keeping the number manageable ensures that individuals can focus their efforts effectively on the most critical organizational goals.

10. (C) Five steps
Developing Behaviourally Anchored Rating Scales involves five distinct stages. These include generating critical incidents, developing performance dimensions, reallocating the incidents, scaling them, and finally creating the final instrument. This rigorous process ensures that the resulting scale is highly specific to the job and provides clear behavioral anchors for evaluators, leading to more objective, consistent, and accurate performance appraisal results.

11. (D) Vendor perspective
Setting Key Result Areas involves a balanced approach across four primary perspectives: organizational, task, client, and interpersonal. These perspectives ensure that goals cover internal efficiency, customer satisfaction, and effective teamwork. While vendors are external stakeholders, they are not typically considered a core perspective when defining the specific performance results for individual employee roles within the standard Key Result Area framework.

12. (C) General areas of outcomes or outputs for which the department's role is responsible, derived out of short-term objectives
Key Result Areas are general areas of outcomes or outputs for which a specific role or department is held responsible. They are derived from short-term objectives and focus on the essential results required for success rather than daily activities. Defining these areas helps individuals prioritize their work and ensures that their efforts contribute directly to the strategic goals of the organization.

13. (A) A KPI is a specific, agreed measure of achievement within a KRA that is objective, independent, and standardized
A Key Performance Indicator is a specific, agreed-upon measure of achievement within a Key Result Area. It provides an objective, independent, and standardized way to assess performance levels. These indicators can be quantitative or qualitative but must always be measurable to track progress accurately. They serve as the benchmark for determining whether the desired organizational results have been successfully attained.

14. (C) To assess organizational progress and allow employees to discuss previous events and plan for better future performance
An effective feedback mechanism is crucial for assessing organizational progress and fostering employee development. It provides a platform for supervisors and subordinates to discuss past performance, identify strengths, and address weaknesses. This dialogue allows for collaborative planning for future improvement, ensuring that the appraisal process is a tool for continuous professional growth rather than just a simple documentation exercise.

15. (D) Conduct Leaderless Group Discussions
Developing Behaviourally Anchored Rating Scales includes generating critical incidents, developing performance dimensions, and reallocating incidents to ensure accuracy. Scaling incidents and creating the final instrument are also vital steps. Leaderless group discussions, however, are a technique typically used in Assessment Centres to evaluate interpersonal skills rather than a step in the construction of the rating scales themselves.

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development, which are essential for those in supervisory roles. Environmental management and finance are examples of technical or functional competencies, as they require specific professional knowledge relevant to a particular field. Pairing these technical skills with managerial competencies is incorrect within the standard organizational competency framework used for evaluation.

50. (A) P-3, Q-1, R-4, S-2
In an Assessment Centre, simulation games and in-basket exercises measure organizational and planning abilities. Oral reports assess communication skills and job insights. Personal interviews and projective tests evaluate work motivation and career orientation. Paper and pencil tests are used to measure intellectual ability. Together, these diverse tools provide a holistic view of a candidate's potential and suitability for leadership.

51. (A) Only I and II
Management by Objectives aids in planning and provides more objective appraisal criteria by focusing on mutually agreed-upon goals. However, this method actually makes managers more likely to compete with themselves to reach their targets, which is a positive motivational factor. It does not reduce internal competition, but it shifts the focus toward individual achievement and accountability for specific, measurable organizational results.

52. (A) III, IV, I, V, II
A systematic performance appraisal process begins with establishing performance standards. These expectations are then communicated to the employee. Next, actual performance is measured over the appraisal period. This actual performance is compared against the established standards to identify gaps. Finally, the appraisal results are discussed with the employee to provide feedback and plan for future development and corrective actions.

53. (A) P-3, Q-4, R-1, S-2
Quantity indicators track numerical outputs like the number of units processed. Quality indicators focus on accuracy, such as error rates. Cost indicators measure financial performance, like variance against the budget. Time indicators evaluate efficiency and speed of delivery. Using these varied categories allows an organization to monitor all critical aspects of performance, ensuring that goals are met effectively across different dimensions.

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54. (C) Both I and II are correct
Core competencies are dynamic and must evolve over time to remain relevant in a changing environment; they are not rigid. Additionally, organizational capabilities are the result of the systems, processes, and control mechanisms that a firm uses to integrate its resources. Both statements are correct, highlighting that a firm's competitive advantage depends on its ability to adapt and manage internally.

55. (A) Assessment Centre - Uses simulation games to test organizational and planning abilities
Assessment Centres are correctly paired with the use of simulation games to evaluate organizational and planning abilities. Narrative descriptions are not exclusively used by government departments as annual reports. Trait analysis involves checklists, while the selection of statements is characteristic of the Forced Choice Method. Rating scales are past-oriented, not primarily focused on future-oriented objective setting like Management by Objectives.

56. (A) It increases system transparency and reduces threat through objective checks and balances
An effective feedback mechanism enhances the transparency of the appraisal system and reduces the feeling of threat among employees. By providing objective checks and balances, it ensures that evaluations are fair and based on factual performance. This open communication allows for a constructive dialogue between managers and subordinates, helping to resolve misunderstandings and focusing on collaborative planning for growth.

57. (A) Only I and II
The Plan phase is correctly associated with prioritizing tasks, while the Do phase focuses on system implementation and risk management. The Revise phase, however, does not ignore lessons learned; instead, it uses those insights to modify and improve future plans. By incorporating feedback from the Review phase, the Revise stage ensures that the organization

24. (D) It is completely immune to the lack of training among raters
360-degree appraisals are not immune to the lack of training among raters. A significant disadvantage of this method is that multiple evaluators, who may not be skilled in objective assessment, can provide biased or unbalanced feedback. Proper training is essential to ensure that the feedback gathered from peers, subordinates, and other sources is constructive and accurately reflects an individual's performance.

25. (B) It involves evaluators judging performance in several situations using criteria like in-basket exercises and management games
The Assessment Centre Approach evaluates employees through several situational exercises, including in-basket tasks and management games. Professional evaluators observe and judge performance based on specific criteria like organizational and planning abilities. This method is particularly useful for identifying leadership potential and making promotion decisions, as it provides a comprehensive view of how an individual handles complex, simulated work scenarios and responsibilities.

26. (D) An appraisal made by top management, immediate superior, peers, subordinates, self, and customers
A 360-degree appraisal is a comprehensive evaluation system where an individual receives feedback from multiple directions. This includes input from top management, immediate superiors, peers, subordinates, and even external customers, alongside a self-assessment. This multi-rater approach provides a well-rounded perspective on an employee's performance and behavior, which a traditional single-source appraisal might miss in a complex and modern organizational setting.

27. (A) Assessment Centre Approach
Past-oriented appraisal methods, such as Rating Scales and the Critical Incidents Method, focus on evaluating an employee's previous performance and behaviors. In contrast, the Assessment Centre Approach is considered future-oriented because it uses various simulations and exercises to identify an individual's potential for higher-level roles and future responsibilities, rather than just reviewing their past work history for administrative records.

28. (B) 3 to 5
To prevent employees from becoming overloaded and losing focus, most roles should ideally include three to five Key Result Areas. This manageable number allows individuals to concentrate on the most significant aspects of their position. Having too many areas can dilute effort and make it difficult for employees to prioritize their tasks effectively toward achieving the most critical organizational outcomes.

29. (C) It is a highly future-oriented method focusing on potential
Trait Analysis is a past-oriented method using a checklist of statements about an employee's characteristics, which the rater marks with Yes or No. The rater reports behaviors, while the HR department performs the actual evaluation. It is not a highly future-oriented method focusing on potential, as it primarily assesses existing traits based on previous observations within the specific work environment.

30. (D) Resources are inputs in the production process, whereas Capabilities refer to organizational skills at integrating resources
In the context of core competencies, resources are the basic inputs used in the production process, such as human capital, financial assets, or physical technology. Capabilities refer to the organizational skills and expertise required to integrate and coordinate these resources effectively. Core competencies emerge when these resources and capabilities are combined in a way that creates unique value and competitive advantage.

31. (A) III, V, I, IV, II
Building a competency model begins with deciding which job positions require one. This is followed by discussing the intended applications to ensure alignment with organizational needs. Next, a data collection method is selected and implemented. Once the data is organized, main themes are identified to build and review the final model, ensuring it accurately reflects the required high-performance job behaviors.

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16. (A) A structured system of evaluating job behaviours to discover reasons for performance and how to perform more effectively in the future
A Performance Management System is a structured process for evaluating job behaviors and outcomes to understand performance levels. It aims to identify reasons for success or failure and provides a roadmap for performing more effectively in the future. This system is more comprehensive than a simple appraisal, involving continuous planning and development to align employee performance with organizational goals.

17. (A) Supervisors record incidents only at the end of the annual appraisal cycle
The Critical Incidents Method requires supervisors to record significant positive or negative behaviors as they occur throughout the entire appraisal period. Recording incidents only at the end of the annual cycle would lead to recency bias and forgetfulness. Continuous documentation ensures that the final evaluation is based on actual, observed job behaviors over time rather than a general, end-of-year impression.

18. (A) C.K. Prahalad and Gary Hamel
C.K. Prahalad and Gary Hamel introduced the concept of core competency in their seminal 1990 article. They defined it as an integrated bundle of skills and technologies that enables a company to provide particular benefits to customers. This concept shifted strategic focus toward internal strengths that are difficult for competitors to imitate, thus creating a sustainable and unique competitive advantage.

19. (D) It involves near-term objectives, regular check-ins, and real-time feedback on an ongoing basis
Continuous Performance Management involves regular check-ins, near-term objectives, and real-time feedback throughout the year. It moves away from the traditional, once-a-year appraisal model. This approach fosters ongoing dialogue between managers and employees, allowing for immediate course corrections and constant development. It reflects the needs of a dynamic work environment where goals and priorities can shift rapidly and require alignment.

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20. (A) To identify key competencies for a position to support recruitment, training, and succession planning
Competency mapping is the process of identifying the key skills, knowledge, and behaviors required for a specific position. Its primary objective is to support various HR functions, including recruitment, training needs analysis, and succession planning. By clearly defining what constitutes superior performance, the organization can better align its human capital with its strategic requirements and identify potential talent gaps effectively.

21. (C) Hypothetical Competencies
Organizational competency frameworks typically include managerial, generic, and technical or functional competencies. Managerial competencies relate to supervisory roles, generic competencies apply to all employees, and technical competencies involve specific job-related skills. Hypothetical competencies are not a recognized category, as the framework relies on observable and measurable attributes that directly impact job performance and organizational success within a professional work environment.

22. (B) 1992 by General Electric (GE), USA
The 360-degree appraisal method was first developed and implemented by General Electric in the United States in 1992. This system expanded the evaluation process by including feedback from multiple sources, such as superiors, peers, subordinates, and customers. By capturing a variety of perspectives, the organization aimed to provide a more comprehensive and objective view of an individual's performance and leadership.

23. (D) Review understands action impacts and stakeholder experiences, while Revise uses lessons to modify future plans
In the Performance Management Cycle, the Review phase focuses on understanding the impact of previous actions and gathering feedback from stakeholders about their experiences. The Revise phase follows by using these lessons to modify and improve future plans. While Review looks at the current results, Revise ensures that the insights gained lead to more efficient and effective future organizational strategies.

performance. These traditional techniques evaluate how an employee has performed in the past based on observed traits.

41. (C) Only I and III
Key Performance Indicators can be either quantitative or qualitative in nature, providing a comprehensive view of performance. They are designed to be objective, independent, and standardized measures of achievement toward goals. Unlike subjective ratings or judgments, these indicators provide factual data to track progress. Therefore, the statements highlighting their objective nature and their varying types are accurate within a professional framework.

42. (C) To improve the leadership pipeline and workforce skills to meet organizational needs
The overarching goal of integrated talent management strategies is to enhance the organization's leadership pipeline and overall workforce skills. By integrating various HR processes like recruitment and performance management, the organization can more effectively meet its long-term needs. This holistic approach ensures that talent management is aligned with the broader business strategy, fostering a more capable and resilient workforce.

43. (B) Time KPI - Speed of delivery (emergency response)
Time-based Key Performance Indicators measure the speed or efficiency of a process. An example is the speed of delivery or emergency response time. In contrast, cost indicators measure budget variance, quantity indicators measure production volume, and quality indicators track error rates. Correctly identifying the parameter ensures that the metric accurately reflects the specific performance objective being monitored and evaluated.

44. (A) P-3, Q-1, R-4, S-2
The process of establishing Key Result Areas involves a logical sequence. It starts with talking to individual team members to understand their roles. Second, day-to-day activities are identified to derive the areas. Third, these are documented with allocated timelines for achievement. Finally, the finalized areas are communicated back to the team members to ensure everyone is clear on performance expectations.

45. (A) Only I and II
Behaviourally Anchored Rating Scales support more equitable appraisals by providing clear behavioral standards and rely on experts with job knowledge to describe critical incidents. However, the performance dimensions generated are designed to be independent of each other rather than dependent. This independence improves accuracy by allowing for the distinct evaluation of different aspects of job performance without one unfairly influencing another.

46. (B) To reduce the risk of a costly hiring mistake and increase the likelihood of selecting the right person
Competency-based interviews are used during selection to minimize the risk of expensive hiring errors. By asking candidates to provide evidence of specific behaviors and skills required for the job, employers can better predict future performance. This structured approach increases the likelihood of finding the right person for the right role, ensuring the new hire possesses the attributes necessary to succeed.

47. (B) Only II is correct
A 360-degree appraisal typically involves a balanced panel of raters, such as two superiors, two subordinates, and at least one peer or external stakeholder. This provides a multi-faceted view of a manager's performance. It is incorrect to say it is only used for technical targets; it is frequently used to evaluate qualitative attributes like ethical standards, leadership values, and interpersonal behaviors.

48. (A) P-3, Q-4, R-2, S-1
In the Performance Management Cycle, the Plan phase involves prioritizing tasks and understanding performance needs. The Do phase focuses on implementing systems and managing risks. Review involves understanding the impact of actions through stakeholder feedback. Finally, the Revise phase uses insights from the review to modify future plans. This cycle ensures continuous improvement and alignment of individual performance with strategic goals.

49. (A) Managerial Competencies - Environmental management and finance
Managerial competencies typically include skills like leveraging relationships and team

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2018

91. By clearly identifying her KRAs, the Branch Manager realizes several benefits in managing her daily operations. Setting KRAs helps her achieve all of the following EXCEPT:
(A) Prioritize her activities to improve time/ work management
(B) Evaluate her subordinates' technical competencies through simulation games
(C) Align her role to the organization's business or strategic plan
(D) Focus on results rather than mere activities

Oct/Nov 2010

92. Despite the success in identifying candidates, the HR notes a downside to using Assessment Centres. Which is a recognized disadvantage?
(A) It relies entirely on past performance metrics and fails to account for the future potential of the employee
(B) It is highly secretive and feedback is never provided to candidates regardless of their final performance rating
(C) It is costly, time-consuming, and ratings can be strongly influenced by interpersonal skills
(D) It restricts evaluators from observing the candidate's behaviour in simulated situations during the appraisal process

May/June 2023

93. In the Assessment Centre, evaluators conduct personal interviews and projective tests. What is the primary purpose of these tools?
(A) To evaluate communication skills of the candidate during high-pressure simulated workplace environment scenarios
(B) To test specific functional/technical competencies like finance and budget management within the bank's structure
(C) To measure the speed of emergency response in dealing with customer grievances at the branch level operations
(D) To assess work motivation, career orientation, and dependence on others

Oct/Nov 2006

94. To ensure a balanced 360-degree review, the IT department needs to structure the evaluation panel. What is the typical approach for selecting appraisers around the manager?
(A) One from above, three from below, and two external auditors to ensure financial transparency of the unit
(B) Top management only, omitting subordinates to maintain the traditional organizational hierarchy and command
(C) Two from above, two below, and at least one each from a parallel role, or outside
(D) Three peers and three customers exclusively to measure social influence and external market perception

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May/June 2015

95. The Branch Manager also establishes a KPI to track the "Error rate or reworks" in loan processing. Under which broad category of KPI parameters does this metric fall?
(A) Quality
(B) Quantity
(C) Cost
(D) Time

Oct/Nov 2019

96. At the conclusion of the Assessment Centre process, how are candidates typically categorized?
(A) Ranked from 1 to 100 on a percentile scale based on the aggregate score of all simulation games and tests
(B) Assigned to one of four categories: more than acceptable, less than acceptable, and unacceptable
(C) Categorized purely into "Pass" or "Fail" based on the minimum threshold established by the internal HR panel
(D) Grouped into quartiles based on a forced distribution method to align with the bank's annual promotion budget

May/June 2011

97. The IT department of a bank decides to pilot a 360-degree appraisal system for its Project Leads. The performance of the manager is evaluated by how many parties (including himself)?
(A) Six
(B) Three
(C) Four

continuously adapts its strategies for better outcomes.

58. (B) P-4, Q-3, R-1, S-2
Core competencies relate to high-level values like integrity. Generic competencies, such as initiative, apply to all employees. Managerial competencies are for those with supervisory duties, like leveraging relationships. Technical or functional competencies are specific to a work area, such as environmental management. This classification helps organizations identify the different sets of skills and behaviors required at various levels.

59. (A) Only I is correct
Management by Objectives is known to increase employee motivation by involving them in the goal-setting process and providing clear targets. On the contrary, this method is designed to reduce role conflict and ambiguity by ensuring that everyone understands exactly what is expected. By providing clarity through mutual agreement, the system helps employees focus their efforts more effectively on achieving results.

60. (A) P-4, Q-2, R-3, S-1
Developmental uses of appraisal focus on individual strengths and development needs. Administrative decisions involve actions like retention, terminations, or layoffs. Organisational maintenance includes HR planning and training needs analysis. Documentation goals relate to validation research and meeting legal requirements. These varied goals demonstrate that performance appraisals serve multiple strategic and operational functions, helping the organization manage its human capital.

61. (A) I and IV
Core competencies provide distinct value to an organization's capabilities, and generic competencies like communication and initiative apply to all employees. While analytical thinking is a competency, breaking problems into parts is a behavioral indicator, and Technical competencies are specific to work areas. Therefore, only the statements regarding core and generic competencies are fully accurate within the standard organizational framework.

62. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
Public Sector Banks often use confidential reports for clerical staff because their roles are typically assistant-oriented, making complex tools like Behaviourally Anchored Rating Scales less critical than for management roles. The traditional method persists because the nature of the work allows for simpler systems while still meeting administrative needs. Therefore, both the practice and the reason for it are accurate.

63. (B) I, III, and IV
360-degree appraisal was developed by General Electric in 1992 and is valued for providing broader perspectives and supporting self-development. However, it can be intimidating if the multiple raters involved are not properly trained. It is incorrect to say performance is evaluated exclusively by peers, as it includes superiors, subordinates, and others. Therefore, the statements about its origin and benefits are correct.

64. (D) 5
In a standard competency matrix, a senior leadership position like an HR Head is expected to demonstrate the highest level of proficiency in core competencies. On a scale of 1 to 5, this would be a score of 5 for a critical area like decision-making. This reflects the advanced expertise and strategic judgment required to lead the human resources function effectively.

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65. (C) Assertion (A) is true, but Reason (R) is false
The assertion that the Forced Distribution Method assumes performance follows a normal distribution is true. However, the reason is false because the method forces raters to distribute employees across all points of the scale rather than clustering them around a high point. While it aims to eliminate central tendency errors, it does so by requiring a mandated spread of ratings.

66. (A) Increased employee motivation and early identification of problems
When Management by Objectives is implemented correctly through mutual goal setting, the most significant benefits include increased employee motivation and early identification of potential problems. Because employees are involved in

necessitates continuous performance evaluation because the time available to correct course has decreased significantly. The reason correctly explains the assertion, as the shrinking grace period for results makes waiting for an annual appraisal insufficient for maintaining organizational agility and ensuring employees remain on track to meet goals.

84. (C) It provides more accurate judgments, establishes clear standards, and gives good feedback
The primary advantage of Behaviourally Anchored Rating Scales is that it provides more accurate judgments by establishing clear, job-specific standards. It offers high-quality feedback to employees because ratings are linked to actual, observable behaviors. This reduces ambiguity and helps employees understand exactly what behaviors are required for a higher rating, making the entire process more objective and development-oriented for staff.

85. (D) Assertion (A) is false, but Reason (R) is true
The assertion is false because Key Result Areas should ideally be as quantitative as possible to ensure they are measurable and objective. The reason is true, as quantitative areas are indeed easier to track and align with broader organizational goals. Because the reason is true while the assertion is false, the overall conclusion is that goals must be measurable.

86. (A) I, II, and III
Integrated Talent Management connects business strategy with HR processes and culture to improve leadership and skills. Research shows that about two-thirds of HR organizations are moving toward this approach. It is incorrect to say it treats HR processes as separate silos; the very essence of integrated management is to break down those silos and create a unified, holistic strategy.

87. (B) Succession planning
Using competency matrices and gap analysis to build internal bench strength and fill key positions from within is a classic example of succession planning. This application allows an organization to identify future leaders and ensure it has a pipeline of qualified talent ready to step into critical roles. It minimizes external recruitment needs and ensures leadership continuity based on proven competencies.

88. (A) I, II, III, and V
Key steps in the appraisal process include establishing clear standards, communicating expectations, and measuring performance using various sources. Initiating corrective action as a last resort is also a recognized final step. However, the statement that outcomes are never discussed with the employee is incorrect. Open discussion and feedback are essential components of a modern process to ensure transparency and development.

89. (B) Ask persons with job knowledge to describe specific illustrations of effective and ineffective performance behaviour
The first step in developing Behaviourally Anchored Rating Scales is to ask individuals with thorough job knowledge to describe specific incidents of effective and ineffective performance. These descriptions provide the raw behavioral data needed to build the scales. Without these initial critical incidents, the subsequent steps of clustering, reallocating, and scaling could not occur, as there would be no behavioral anchors.

90. (D) Assertion (A) is false, but Reason (R) is true
The assertion that core competencies must remain rigid is false; they must be flexible and evolve to stay relevant in a changing market. However, the reason is true because core competencies do indeed help an organization distinguish its products and achieve a competitive advantage. Since the assertion is false but the reason is true, the two statements remain logically distinct.

91. (B) Evaluate her subordinates' technical competencies through simulation games
Establishing Key Result Areas helps a manager prioritize activities, align their role with the strategic plan, and focus on results rather than daily tasks. However, these areas themselves are not a tool for evaluating subordinates' technical competencies through simulation games. Evaluating subordinates in that manner would typically involve other methods like Assessment Centres or specific competency testing rather than individual goals.

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75. (D) Establishing goals in a conference between the management and the concerned subordinate
A fundamental step in Management by Objectives is that goals must be established in a conference or meeting between the manager and the subordinate. By independently assigning goals via email, the regional director missed this critical collaborative element. This method relies on mutual agreement and participation to ensure the subordinate understands and accepts the specific performance targets established for the year.

76. (B) I, III, and IV
Assessment Centers are commonly used for supervisory positions and involve categorizing candidates into specific groups like more than acceptable. They also include face-to-face feedback for those who request it. However, evaluators are typically senior managers or psychologists rather than inexperienced staff. This ensures that assessments are conducted by individuals with the expertise to judge complex behaviors and potential accurately.

77. (B) 3
According to standard competency matrix examples, an HR Manager is expected to have a proficiency level of 3 in functional areas like compensation. This level indicates a solid understanding and the ability to handle standard tasks independently. While higher leadership might require a higher level for strategic oversight, the manager level focuses on effective execution and operational management of departmental processes.

78. (A) I, II, and IV
Best practices in performance management include identifying clear goals, keeping the process professional, and recognizing performance publicly and frequently. Relying strictly on annual reviews without multiple sources of feedback is an outdated approach. Furthermore, assuming problems are always employee-based is incorrect, as organizational systems often contribute to performance issues. Therefore, only the goals, professionalism, and recognition statements are correct.

79. (C) Assertion (A) is true, but Reason (R) is false
The assertion that continuous performance management occurs throughout the year is true. However, the reason is false because continuous management actually represents a shift away from traditional, one-off annual appraisals in favor of real-time feedback. It is a modern response to the limitations of once-a-year reviews, aiming for constant alignment and development in a dynamic work environment.

80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
Both the assertion and reason are true. Management by Objectives reduces role conflict and ambiguity because it involves setting performance goals through a collaborative conference between the manager and subordinate. This reason directly explains why ambiguity is reduced; by discussing objectives together, both parties gain a shared understanding of what needs to be achieved and how performance will be measured.

81. (C) Identifying reasons for shortfall and giving feedback for improvement
After reviewing goals achieved at the end of a Management by Objectives cycle, the immediate next step is to identify any reasons for shortfalls and provide constructive feedback for improvement. This ensures the process leads to development rather than just being a numerical check. Understanding why targets were missed allows the manager and employee to adjust strategies and set better objectives.

82. (A) I, II, IV, and V
Rating scales suffer from bias, trait analysis involves HR evaluation of rater checks, and forced distribution assumes a normal curve. The critical incidents method can also suffer from overly close supervision. However, the statement about the Forced Choice Method is incorrect because it still requires significant HR involvement in developing weighted statements and scoring results, even if it reduces bias.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
Both the assertion and reason are true. The modern dynamic business environment

NQDIA

Oct/Nov 2025

6. An organisation wants to introduce a strict performance monitoring tool. The driving forces for this change (efficiency, cost control) are precisely equal to the restraining forces (employee fear, union pushback). According to Lewin's analysis, what is the best managerial action to implement the change?

(A) Management should completely drop the program due to equal opposing forces.
(B) Pushing up driving forces while converting or immobilising the restraining forces.
(C) Management should postpone the programme until the driving forces naturally increase.
(D) Management must assume the change will fail and maintain the current equilibrium.

May/June 2012

7. What does 'Strategic HRM' signify in the context of highly competitive corporate scenarios?

(A) Managing physical resources to parallel existing human capabilities
(B) Aligning people-related activities with the organization's business strategy
(C) Minimising employee costs to achieve various financial corporate goals
(D) Focusing exclusively on the interests of employees rather than stakeholders

Oct/Nov 2014

8. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Human landscapes are the breeding grounds for resistance to change.

Reason (R): All initiatives designed to bring about change interrupt the status quo, and most people are reluctant to disturb the routines formed in their lives.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

9. Match the elements of human landscape readiness in List I with their corresponding definitions in List II:

List I: (Elements)
P. Sponsors
Q. Capacity
R. Culture
S. Targets

List II: (Definitions)
1. The availability of resources people need to adapt to the desired change
2. The formal and informal ground rules for how things are really done
3. The people whom the initiatives are intended to influence
4. The management structure responsible for ensuring initiatives are applied appropriately

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2006

10. Bank A successfully acquired Bank B in a major financial and physical merger. Ten years later, employees originally from Bank B still refer to themselves as "Bank B staff" and hold onto their previous corporate identity, resisting integration into Bank A's culture. This scenario primarily exemplifies a failure in achieving which aspect of organisational change?

(A) Financial merger
(B) Technological installation
(C) Cultural merger
(D) Early termination

May/June 2021

11. Which of the following best describes 'habituation' in the context of learning?

(A) A process by which an element is learned through association with a separate element.
(B) The progressive amplification of a response following repeated stimulus administrations.
(C) The personal repetition of an observed behavior such as a dance or complex activity.
(D) A progressive diminution of response probability with repeated stimulus exposure.

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92. (C) It is costly, time-consuming, and ratings can be strongly influenced by interpersonal skills
A well-recognized disadvantage of Assessment Centres is that they are very costly and time-consuming to implement. Furthermore, because the exercises often involve social interactions and presentations, the final ratings can be disproportionately influenced by the candidate's interpersonal skills. While important, these skills might overshadow other critical functional competencies, potentially leading to a biased view of the individual's overall professional potential.

93. (D) To assess work motivation, career orientation, and dependence on others
In an Assessment Centre, personal interviews and projective tests are used primarily to assess qualitative factors such as work motivation, career orientation, and the candidate's level of dependence on others. While other exercises measure planning or communication, these specific psychological tools provide deeper insights into the individual's personality and long-term professional drivers, helping evaluators determine if the candidate is suitable.

94. (C) Two from above, two below, and at least one each from a parallel role, or outside
The typical structure for a 360-degree appraisal panel around a manager includes two superiors from above, two subordinates from below, and at least one person from a parallel peer role or an external stakeholder. This combination ensures a balanced perspective, capturing views from those who manage the employee, those who are managed by them, and those who work alongside them.

95. (A) Quality
Tracking the error rate or reworks in any process is a classic measure of quality. This metric evaluates how well a task is being performed and whether the output meets the required standards without needing correction. While quantity measures volume and time measures speed, quality indicators focus on the accuracy, excellence, and reliability of the work being produced by the employee.

96. (B) Assigned to one of four categories: more than acceptable, less than acceptable, and unacceptable
After the various exercises in an Assessment Centre are completed, candidates are typically assigned to one of four broad categories. These categories usually include more than acceptable, acceptable, less than acceptable, and unacceptable. This classification provides a clear and standardized way for the organization to judge readiness for promotion or the need for further development based on performance across multiple scenarios.

97. (A) Six
In a standard 360-degree appraisal system, the performance of an employee is typically evaluated by six different parties. These include the employee's immediate superior, their peers, their subordinates, top management, and customers, along with a self-assessment by the employee themselves. This wide-ranging feedback provides a complete view of the individual's impact across all professional relationships and operational areas within the organization.

NODIA

98. (B) Average call response time
An appropriate time-based indicator for improving customer service would be the average call response time. This metric directly measures the efficiency and speed with which the organization handles customer inquiries. Unlike measures of budget variance or complaints, tracking response time provides a clear numerical value representing how quickly services are being delivered to the end user in a professional setting.

99. (D) Employment costs as a percentage of operating costs
To measure the specific goal of employee cost reduction, the most relevant indicator is employment costs expressed as a percentage of operating costs. This metric directly tracks the financial impact of staffing on the organization's overall expenses. Other indicators like sales turnover or value added measure productivity or efficiency but do not provide a direct measure of the cost-reduction goal itself.

setting their own objectives, they feel a greater sense of ownership. This transparency allows managers to provide timely feedback and course corrections, ensuring individual efforts remain aligned with organizational strategic priorities.

67. (B) II and III
Key Result Areas are essential for aligning individual roles with an organization's strategic business plan and ensuring a focus on results. It is recommended to have three to five such areas to maintain focus. They help individuals prioritize outcomes rather than just activities and are typically derived from short-term goals rather than long-term objectives extending beyond five years in duration.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
Both the assertion and the reason are true. Competency-based interviews increase hiring success by using high-performance standards to analyze candidate data. The reason explains the assertion, as the use of clear, factual standards allows for a more objective and predictive evaluation of how a candidate will perform in the job, thereby reducing the likelihood of making a poor hiring decision.

69. (A) If 50 to 70% of the second group assigns it to the same cluster as the previous group did
During the reallocation phase of developing rating scales, a critical incident is retained only if a significant majority of the second group of experts agrees on its classification. Specifically, between 50% and 70% of the group must assign the incident to the same performance cluster as the original group. This consensus ensures behavioral anchors are clear, relevant, and consistently understood.

70. (B) I, II, IV, and V
Performance planning involves cooperative goal setting and aligning roles with the business plan. A balanced approach across multiple perspectives and the use of SMART indicators are also best practices. However, setting eight to ten areas is considered too many, as it can overwhelm employees and reduce their effectiveness. Therefore, the statements focusing on cooperation, alignment, and SMART criteria are correct.

71. (A) Communication skills and insights into the present position
In an Assessment Centre, when candidates deliver an oral report to evaluators, they are primarily being tested on their communication skills. This exercise also provides the evaluators with insights into the candidate's understanding and perspective of their present position. It is an effective way to judge how clearly and persuasively an individual can present information and handle questions in professional settings.

72. (A) I, II, and III
Performance appraisals are vital for tracking organizational progress and ensuring employees are working toward goals. A good system must include an effective feedback mechanism for discussing results and future plans. However, the provision for review by a higher authority is actually encouraged to ensure fairness and objectivity. It acts as a safeguard rather than being discouraged as a professional threat.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
The assertion that managers would have to guess about employee progress without appraisals is true. The reason is also true, as performance evaluation provides the necessary feedback mechanism to assess both individual and organizational progress. The reason directly explains why appraisals are necessary, as they provide factual data required to move beyond guesswork and align performance with organizational goals.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A)
Both the assertion and reason are true. Feedback from multiple sources in a 360-degree appraisal can be intimidating, especially if raters lack training. The reason explains the assertion by highlighting that untrained raters may struggle to provide balanced and objective feedback, which can lead to perceptions of unfairness or threat for the person being evaluated during the appraisal cycle.

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CHAPTER 11
Learning Process

May/June 2016

1. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Most organisations are not able to implement new solutions very well and fail to realise existing potential.
Reason (R): They unwittingly apply their resources toward identifying new solutions rather than focusing on successful deployment and realisation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

2. All of the following are considered 'human' components of a work environment landscape, EXCEPT:
(A) Assumptions
(B) Beliefs and values
(C) Organisational structures
(D) Resistance and fears

May/June 2023

3. Read the following statements regarding Human Implications of Organisations:
I. An important part of HRM is the Human Resources Plan, which analyses strategic requirements in terms of manpower.
II. The purpose of the plan is exclusively to retrench excess workforce to maintain unit production costs.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2018

4. Identify the correct pair representing Kurt Lewin's concept of 'force field' equilibrium:
(A) Driving Forces - Forces favoring the maintenance of the current organizational status quo
(B) Restraining Forces - Forces that oppose the equilibrium at a particular situational point
(C) Equilibrium - State reached when driving forces and restraining forces are of equal magnitude
(D) Driving Forces - Environmental forces that are strictly technological and isolated

May/June 2007

5. Match the possible outcomes of change initiatives in List I with their descriptions in List II:
List I: (Outcomes)
P. Early Termination
Q. Meltdown
R. Installation
S. Realisation
List II: (Descriptions)
1. Tangible aspects are managed and the project is deployed but ultimate intent is not yet achieved.
2. The project is discontinued before any official announcements can take place, despite budgets being set.
3. Key purposes like confirmed cost savings and documented productivity gains are actually achieved.
4. Discontinued with a complete withdrawal of resources after being announced and engaged, often camouflaged by decision makers.
(A) P-1, Q-4, R-3, S-2
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-1, R-2, S-4

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100. (D) Feedback from multiple untrained sources can be intimidating and threatening, providing unbalanced feedback

A significant risk of 360-degree appraisals is that receiving feedback from various untrained sources can be intimidating for employees. If raters lack the skills to provide objective and constructive input, the resulting feedback may be unbalanced or biased. This can create a sense of threat and negatively impact morale, making it essential for organizations to provide proper training to all participants.

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Oct/Nov 2010

12. A well-established newspaper company traditionally enjoyed a vast readership. However, over the past decade, its readership has severely dwindled. Management discovers that their readers have migrated to a free instant news provider on the internet, while their own target market has drifted primarily to older people uncomfortable with online news. What crucial determinant of competitive advantage did the newspaper fail to adequately monitor?
(A) Systematically enhancing the psychomotor skills of their journalists
(B) Modifying internal employee policies without necessary technology upgrades
(C) Addressing shifting competition and evolving target market preferences
(D) Initiating a sudden and unplanned meltdown of their change initiatives

May/June 2005

13. In the context of 'Human Landscapes', how are 'inert aspects' characterised?
(A) Isolated features of the landscape having no inherent connections to one another.
(B) People acting as bridging agents between organizational strategies and execution.
(C) The overt and covert reluctance exhibited by various internal and external groups.
(D) The unwritten ground rules for how things are really done on a day-to-day basis.

Oct/Nov 2022

14. A corporate bank's top management approves a radical new digital strategy. Budgets are allocated, and internal agreements are reached. However, a sudden, severe political crisis occurs, prompting management to silently discontinue the entire initiative before any official launch or communication to the broader staff. This outcome is best classified as:
(A) Meltdown
(B) Installation
(C) Early Termination
(D) Realisation

May/June 2018

15. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Before executing a plan for change, leadership must assess forces which affect change in either way.
Reason (R): Planned change is automatic in organisations; individual resistance is merely a myth.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

16. Which of the following is NOT explicitly stated as a goal of Human Resource Management?
(A) Generating alternative financial revenues directly from HR activities
(B) Meeting the needs of the business, management, and all other stakeholders
(C) Linking human resource strategies/policies to the business goals and objectives
(D) Finding ways for human resources to "add value" to a business

May/June 2014

17. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Fulfilling promises regarding the return on a shareholder's investment is unlikely unless the corresponding "human landscapes" have been properly addressed.
Reason (R): Dysfunctional installation occurs when correct business solutions are inserted into human landscapes that have not been prepared to provide the necessary support.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

18. Arrange the typical sequence of events when new solutions (e.g., reorganisation, updated

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processes) are introduced to an organisation in the correct order:

I. Deploying the change and reaping full business benefits (Realisation)
II. Announcing the project
III. Providing new equipment or software, training, or related activities
IV. Identifying the new solution to solve problems

(A) IV, III, II, I
(B) IV, II, III, I
(C) II, IV, III, I
(D) II, III, IV, I

May/June 2025

19. Why do leaders often fail to properly manage the human landscapes encircling key business solutions?

(A) They delegate the entire implementation to external consultants with all necessary assets.
(B) They believe that leadership today is exclusively about making decisions on what to do.
(C) They focus too heavily on psychological expertise rather than inert features of the system.
(D) Being naive about organizational requirements and lacking tools for people dynamics.

Oct/Nov 2019

20. Consider the following statements regarding the outcomes of change:

I. Installation is a two-edged sword that carries the potential to either further the primary purpose or prevent it from taking form.
II. Realisation takes place only when installation has occurred to ensure the solution is used as intended.
III. Installation causes abrupt withdrawal and resignations because projects are killed early.

Which of the above statement(s) is/are correct?

(A) Only I and II
(B) Only II and III
(C) Only I and III
(D) I, II, and III

May/June 2009

21. Consider the following statements regarding the elements of learning:

I. Learning involves behavioural change.
II. Changes resulting from growth and maturity are considered as learning.
III. Behavioural change should last for a long time.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

Oct/Nov 2011

22. Identify the correct statement regarding 'Competitive Advantage'.

(A) Today's competitive advantage perpetually remains a long-term unassailable position.
(B) Today's competitive advantage becomes tomorrow's minimum level of acceptable performance.
(C) Competitive advantage is what makes the organisation feel better than the competition in its employees' view only.
(D) Decreased time to market and high quality rarely provide competitive advantage as competitors cannot replicate them.

May/June 2010

23. How is a 'Moment of Truth' defined in the context of an organisation?

(A) The exact time when a project is officially terminated due to a crisis.
(B) The phase where employees realize the true cultural landscape of peers.
(C) The point when management publicly admits a meltdown in an initiative.
(D) A customer contact instance used to form or change impressions of the firm.

Oct/Nov 2024

24. To ensure key people are prepared to absorb introduced changes, which of the following questions are critical to address?

I. To what extent are appropriate leaders unwilling to provide necessary commitment?
II. To what extent do users lack the intellectual, emotional, and physical resources to adjust?
III. To what extent do the necessary behaviours and beliefs differ from the currently shared culture?

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IV. To what extent are various stakeholders exhibiting overt and/or covert reluctance?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, III, and IV

May/June 2017

25. Which of the following pairs linking the building blocks of a work environment is incorrect?
(A) Inert aspects - Structures, policies, technology
(B) Human aspects - Strategies and software
(C) Human aspects - Perceptions, fears, aspirations
(D) Inert aspects - Capital and tools

Oct/Nov 2005

26. Match the determinants of Competitive Advantage in List I with their descriptions in List II:
List I: (Determinants)
P. Benefit
Q. Target Market
R. Competition
S. Sustainable Competitive Advantage
List II: (Descriptions)
1. Knowing exactly who buys from the organisation and how it makes their life better
2. Anything else a customer could do to meet the need the organisation can fulfill
3. Creating clear goals, strategies and operations so the corporate culture aligns to sustain advantage
4. Offering real value that customers truly need and communicating its advantages
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-3, R-4, S-1

May/June 2020

27. Under Lewin's Force Field Analysis, what happens if the restraining forces are stronger than the driving forces?
(A) Dropping the change programme or postponing it to a more opportune time.
(B) Management can effortlessly overpower the restraining forces to implement change.
(C) A dynamic equilibrium is instantly formed, making the desired change automatic.
(D) The driving forces automatically immobilise the various restraining forces.

Oct/Nov 2015

28. Which of the following statements about implementation challenges is incorrect?
(A) Gaining a pre-launch platform to test products and competencies in the market.
(B) Achieving realization when the organization reaps full business benefits from the change.
(C) Success today depends on being able to ensure that the promised benefits are delivered.
(D) Volatile markets prevent leaders from risking the future on strategies that are installed.

May/June 2013

29. A regional bank introduces a new centralized software system. The IT department is fully equipped, and employees are trained. However, the branch managers and regional supervisors exhibit immense reluctance, continuously undermining the system in team meetings and failing to mandate its use. In the framework of human landscape readiness, which critical element is primarily failing here?
(A) Culture
(B) Capacity
(C) Sponsorship
(D) Targets

Oct/Nov 2021

30. A retail company visibly launches a massive restructuring initiative. Six months into implementation, massive resistance and resource drain cause the project to halt completely. To save face, internal change agents subtly declare the project a "completed success" even though none of the desired results were achieved. This scenario represents:
(A) Early Termination
(B) Realisation
(C) Installation
(D) Meltdown

May/June 2024

31. Which of the following is NOT an explicitly categorized type of learning?
(A) Motor Learning
(B) Verbal Learning
(C) Rote learning

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pressure, and group dynamics
(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

May/June 2023

45. An IT professional is required to take a cybersecurity course. Initially unmotivated, her motivation skyrockets when the instructor explains how these specific security protocols will directly help her achieve her personal objective of becoming a lead systems architect next quarter. This scenario highlights which characteristic of adult learning?
(A) It encourages collaboration
(B) It relies on rote memorisation
(C) It is relevancy-oriented
(D) It is an associative conditioning

Oct/Nov 2018

46. How is 'Enculturation' defined?
(A) The social and psychological process where one person learns the values of another culture.
(B) Learning the requirements of one's native culture to acquire appropriate values.
(C) A non-associative learning process leading to a significant behavioural diminution.
(D) A formal learning process that takes place strictly within a professional relationship.

May/June 2007

47. Match the characteristic of Adult Learning in List I with its defining trait in List II:
List I: (Characteristic)
P. Goal-oriented
Q. Relevancy-oriented
R. Highlights practicality
S. Encourages collaboration
List II: (Defining Trait)
1. Thriving when instructors treat them as colleagues and acknowledge their contributions
2. Aligning learning activities so intended outcomes are clearly identified and fulfilled in a period of time
3. Relating assigned tasks directly to achieving their personal learning objectives
4. Identifying appropriate ways to convert theoretical concepts learned in class into real-life situations
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-4, Q-1, R-3, S-2
(D) P-1, Q-4, R-2, S-3

Oct/Nov 2025

48. What does the 'cognitive domain' of learning involve?
(A) Our feelings, emotions, and attitudes
(B) The development of our mental skills and the acquisition of knowledge
(C) Utilizing motor skills and coordinating them
(D) The physical and social environment in which the individual lives

May/June 2012

49. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Meaningless efforts and mere cramming without proper understanding do not produce permanent learning results.
Reason (R): Learning must be intelligent; any work done mechanically cannot yield satisfactory learning outcomes.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2014

50. Consider the following shared principles between the information processing model and the social interaction model of cognitive theory:
I. They both acknowledge the importance of reinforcing behaviour.
II. They both acknowledge the importance of measuring changes.
III. They both reject the necessity of measuring student knowledge or performance.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

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while learning is a biological process.
(B) Training modifies attitudes horizontally, whereas learning modifies knowledge.
(C) There is no conceptual variance as both of these terms are entirely synonymous.
(D) Training is a job-specific skill procedure, whereas learning modifies behavior.

May/June 2011

39. In adult learning theory, what is presumed about adult learning environments?
(A) They are most effective when built on rote memorisation and passive listening.
(B) They must exclusively rely on the psychomotor domain.
(C) They should avoid connecting past experiences with the current knowledge base.
(D) They are best when collaborative and utilise a problem-based approach.

Oct/Nov 2020

40. Which of the following pairs linking a learning domain to its example is incorrect?
(A) Cognitive Domain - Recalling, calculating, and analysing
(B) Psychomotor Domain - Driving a car, swimming, skiing
(C) Affective Domain - Loving, appreciating, fearing
(D) Cognitive Domain - Dancing, riding a bike, diving

May/June 2022

41. Read the following statements regarding the principles of learning (Readiness, Exercise, Intensity, Recency):
I. Students make more progress if they have a clear objective and definite reason (Readiness).
II. A student learns to perform complex dance steps with just one demonstration (Exercise).
III. A vivid, dramatic experience teaches more than a routine one (Intensity).
IV. Instructors plan a summary session at the end of a lesson to leverage the principle of recency.
V. The classroom imposes limitations on the amount of realism that can be brought into teaching.
Which of the above statements are correct?
(A) I, II, III, and V
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2023

42. Consider the following statements regarding augmented learning:
I. It occurs when a learner interacts with an e-learning environment dynamically tailored to their natural environment.
II. Personalising instruction in augmented learning has been shown to degrade learning performance considerably.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2016

43. An employee participates in varied field activities, overcoming physical challenges and expanding mental horizons through diverse experiences. The individual's continuous development through living and experiencing these activities is best encapsulated by which characteristic of learning?
(A) Learning is purposeful
(B) Learning is growth
(C) Learning is intelligent
(D) Learning is a product of the environment

Oct/Nov 2009

44. Match the Cognitive Theory models in List I with their distinct characteristics in List II:
List I: (Models)
P. Behaviourism
Q. Information Processing Model
R. Social interaction theories
S. Cognitive Theory (General)
List II: (Characteristics)
1. Focuses on what is going on inside the student's mind rather than just behaviour change
2. Emphasises positive reinforcement to induce desired behaviour using stimuli
3. Internal structures encode, chunk information, and produce internal/external responses
4. Stresses that learning results from interaction with the environment, peer

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(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

84. Which of the following is correct regarding meaningful learning versus rote learning?
(A) Rote learning is highly resistant to forgetting compared to other methods.
(B) Meaningful learning is superficial and not easily retained by students.
(C) Building patterns of relationship in consciousness through anchored principles.
(D) Neither method helps in making learning available for subsequent recall.

May/June 2016

85. Arrange the stages of the Perception Process in their correct sequential order:
I. Interpreting
II. Response
III. Receiving Stimuli
IV. Organising
V. Selecting Stimuli
(A) III, V, IV, I, II
(B) III, IV, V, I, II
(C) V, III, I, IV, II
(D) III, V, I, IV, II

Oct/Nov 2009

86. A trainer conducts a 24-hour training seminar. According to general retention rate statistics, how does the retention of students passively listening to a lecture compare to those actively engaged?
(A) Passively listening yields a 50% retention rate, while active engagement yields 10%.
(B) Passive listening yields ~5% retention, whereas active engagement is higher.
(C) Passively listening yields 83% retention because hearing is the most dominant sense.
(D) There is no measurable difference between passive listening and active engagement.

May/June 2023

87. A trainer wants to ensure that the advanced problem-solving techniques taught in a workshop are effectively utilized by managers on the factory floor. To facilitate this, the trainer designs activities that challenge the managers to exercise their imagination in applying the skills to real factory scenarios. Which suggestion for promoting transfer of learning is the trainer directly implementing?
(A) Encouraging unnecessary rote learning.
(B) Providing meaningful experiences to build confidence in transferring skills.
(C) Relying strictly on distance learning without interactive elements.
(D) Assuming that negative transfer will automatically correct itself.

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Oct/Nov 2018

88. How should an instructor address an individual's defense mechanisms during learning, given that a person's basic need is to maintain and enhance the self?
(A) Threaten them with unsatisfactory reports to force behavioral compliance.
(B) Recognizing that self-perceived threats are resisted and aiding perception.
(C) Demand that the student abandon their central nervous system's biases.
(D) Push up driving forces aggressively without addressing student beliefs.

May/June 2007

89. Regarding Long-Term Memory and Forgetting, consider the following statements:
I. Long-term memory is a reconstruction, not a pure recall of information or events.
II. Long-term memory is free from personal biases and inaccuracies.
III. Theories accounting for forgetting include disuse, interference, and repression.
IV. Rote learning goes deep because it builds patterns of relationship in consciousness.
V. Material not well learned suffers most from interference.
Which of the above statements are correct?
(A) I, III, and V
(B) I, II, III, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

Oct/Nov 2025

90. Read the following statements regarding Self-Concept in learning:
I. A student's self-image has a great influence on the total perceptual process.
II. If a student has negative experiences which contradict their self-concept, they tend to become highly receptive to additional training.
Which of the above statement(s) is/are correct?
(A) Only I

May/June 2019

51. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): The instructor must provide opportunities for students to practice newly introduced skills.

Reason (R): The principle of exercise states that those things most often repeated are best remembered, helping the fallible human mind retain and evaluate concepts.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

52. During a family dinner, a child observes her parents discussing personal finances and organically learns the importance of saving money. This type of learning, which occurs purely by association during day-to-day situations, is explicitly termed:

(A) Augmented learning
(B) Formal learning
(C) Electronic learning
(D) Informal learning

May/June 2021

53. Read the following characteristics related to learning theories:

I. Brain selecting and processing incoming material.
II. Executive functions of recognising expectancies and planning.
III. Behaviour being strictly shaped by positive reinforcement and rewards alone.
IV. Learning taking place as a result of interaction between the student and the environment.
V. Direct modeling and verbal instruction acting as techniques for learning.

Which of the above are part of the 'Information Processing Model' or 'Social Interaction Model' of cognitive theory?

(A) I, II, III, and IV
(B) II, III, IV, and V
(C) I, II, IV, and V
(D) I, III, IV, and V

Oct/Nov 2010

54. Identify the correct pair defining a characteristic of Adult Learning:

(A) Self-directed - Adults require educators to dictate all learning goals and decisions.
(B) Highlights practicality - Keeping theoretical concepts strictly inside the classroom.
(C) Relevancy-oriented - Relating assigned tasks directly to specific personal learning objectives.
(D) Utilizes knowledge - Ignoring past experiences to focus purely on current paradigms.

May/June 2005

55. Read the following statements regarding the characteristics of learning as described by Yoakman and Simpson:

I. Learning is both individual and social in nature.
II. Learning does not include behaviour change in the emotional sphere.

Which of the above statement(s) is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2022

56. A manager rings a specific bell every time the team hits a daily sales target, immediately followed by bringing out free coffee and snacks. Over time, employees feel a rush of excitement and joy merely upon hearing the bell, even before the snacks appear. This scenario best demonstrates:

(A) Classical conditioning
(B) Habituation
(C) Sensitization
(D) Acculturation

May/June 2018

57. Learning brings about a permanent change in behaviour. However, this change does NOT include which of the following?

(A) Physiological changes like fatigue.
(B) Behaviour change in the emotional sphere.
(C) Acquisition of various symbolic knowledge.
(D) Acquisition of specific motor skills.

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Oct/Nov 2016

58. An employee attends a workshop on diversity and inclusion. Initially, she memorises the company's anti-discrimination policies (learning the rules). Later, she actively engages in role-play exercises to practice intervening in biased situations. Over time, she develops a deep personal appreciation and genuine empathy for her diverse colleagues. Which learning domain corresponds to her developing genuine empathy and appreciation?
(A) Affective domain
(B) Cognitive domain
(C) Psychomotor domain
(D) Augmented domain

May/June 2014

59. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): All kinds of learning are goal-oriented and purposive in nature.
Reason (R): People get interest when they are aware of their objectives to be realized through learning activities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

60. A new trainee learns how to professionally interact with difficult clients not by reading a manual, but by observing a senior colleague handle an irate customer, processing the consequences of that interaction, and adopting the observed behaviour. This scenario is a practical application of:
(A) Habituation
(B) Social interaction theory
(C) Information Processing Model
(D) Classical conditioning

May/June 2025

61. Match the stages of the Perception Process in List I with their descriptions in List II:
List I: (Stages)
P. Receiving Stimuli
Q. Selecting Stimuli
R. Interpreting
S. Response
List II: (Descriptions)
1. Fundamental Attribution Error, stereotyping, Halo Effect, and projection
2. Perception is turned into attitudes, motivation, feelings, and beliefs changing behaviour
3. Picking up all external and internal factors
4. Choosing which stimuli will be most important (e.g., presenting new employees positively)
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

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Oct/Nov 2019

62. Match the memory-related terms in List I to their definitions in List II:
List I: (Terms)
P. Memory
Q. Remembrance
R. Recollection
S. Reminiscence
List II: (Definitions)
1. Suggests the recalling of usually pleasant incidents or feelings from a remote past
2. Applies to the act of remembering or the fact of being remembered
3. The capacity for or the act of remembering, applying to power of remembering and what is remembered
4. Adds an implication of consciously bringing back to mind often with some effort
(A) P-3, Q-2, R-4, S-1
(B) P-1, Q-4, R-3, S-2
(C) P-2, Q-3, R-1, S-4
(D) P-4, Q-1, R-2, S-3

May/June 2009

63. Consider the following statements based on psychological findings regarding perceptions and memory:
I. Initially, all learning comes from perceptions directed to the brain by senses.
II. People retain 83% of what they learn through hearing.
III. People remember 90% of what they say as they act.

IV. Most learning occurs through sight.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

Oct/Nov 2011

64. When new learning is hindered by previously learned experience, this phenomenon is best described as:
(A) Meaningful learning
(B) Positive transfer
(C) Negative transfer
(D) Repression

May/June 2010

65. Match the Johari Window quadrants in List I with their definitions in List II:
List I: (Quadrants)
P. Open Area
Q. Blind Area
R. Hidden Area
S. Unknown Area
List II: (Definitions)
1. Information known to others but not known to individual
2. Information known to self but hidden from others
3. Information unknown to both individual and others
4. Information known to the individual and their colleagues
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2024

66. Read the following statements regarding managerial response to negative employee behaviours:
I. Choosing to do nothing can jeopardize morale, harm productivity, and potentially cause loss of clients.
II. Working to facilitate behavioural change and reinforce positive behaviours is the better option.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2017

67. A corporate trainer wants to teach employees how to handle armed robberies at a bank branch. Instead of merely having them read a safety manual, the trainer stages an immersive, highly realistic mock robbery drill using professional actors. The employees remember the protocols perfectly. Which principle of learning did the trainer successfully utilize?
(A) Principle of Recency
(B) Principle of Exercise
(C) Principle of Intensity
(D) Principle of Readiness

Oct/Nov 2005

68. Identify the correct statement about a negative self-concept.
(A) It encourages the perceptual processes by removing psychological barriers.
(B) Inhibiting perception by creating barriers that affect implementation.
(C) It ensures the student becomes less defensive and more receptive to new experiences.
(D) It replaces the need for competencies and values in the workplace.

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May/June 2020

69. An employee attends two back-to-back software training courses. The first is on Software A, and the second is on a highly similar Software B. A week later, she struggles to remember the specific commands for Software A. According to the theories of forgetting, her inability to recall is best explained by:
(A) Interference from similar material
(B) Disuse
(C) Repression of unpleasant memories
(D) Meltdown of the change initiative

Oct/Nov 2015

70. During a team meeting, an employee interprets a colleague's disagreement as a personal attack due to their own deeply held philosophical outlooks and insecurities, while another employee views it as constructive feedback. This divergence in assigning meaning based on one's own beliefs occurs during which stage of the perception process?
(A) Receiving Stimuli
(B) Organising

(D) Attitude learning

Oct/Nov 2008

32. Which statement correctly describes the vertical and horizontal dimensions of learning?
(A) Horizontal learning is qualitative, adding precision to already learned data.
(B) Horizontal learning adds specific information, while vertical learning organizes it into a complex structure.
(C) Vertical learning is quantitative, involving the simple acquisition of facts.
(D) Both types refer exclusively to physiological changes such as physical fatigue.

May/June 2006

33. Match the learning concepts in List I to their correct descriptions in List II:
List I: (Concepts)
P. Sensitization
Q. Classical conditioning
R. Acculturation
S. Imitation
List II: (Descriptions)
1. Repeatedly pairing an unconditioned stimulus with a neutral stimulus to evoke a conditioned response
2. Progressive amplification of a response following repeated administrations of a stimulus
3. Personal repetition of an observed behaviour copying goals, actions, and outcomes
4. Social process where one learns the values and beliefs of another dominant culture
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2017

34. Read the following statements regarding 'Adult Learning':
I. Adults need to know why they need to learn something.
II. Adults need to learn experientially.
III. Adults approach learning as problem-solving.
IV. Adults learn best when the topic has no immediate value.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

May/June 2008

35. According to the Behaviourist approach to learning, what is the primary mechanism to shape or control what is learned?
(A) Having a particular form of behaviour reinforced through rewards or stimuli.
(B) Emphasising negative reinforcement or punishment methods for behavioral change.
(C) Allowing the student to rely purely on their complex internal mental structures.
(D) Enculturation of the learner through the process of passive visual observation.

Oct/Nov 2013

36. Regarding the "Principles of Learning" identified by educational psychologists, consider the following statements:
I. Readiness implies a degree of single-mindedness and eagerness to learn.
II. The principle of exercise is the basis of drill and practice because human memory is fallible.
III. The principle of recency states that things most recently learned are the fastest forgotten.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2015

37. In the learning process most characteristic of humans—imitation—humans can simultaneously copy three types of information. What are they?
(A) The demonstrator's goals, actions, and environmental outcomes
(B) The demonstrator's habits, knowledge, and values
(C) The demonstrator's assumptions, beliefs, and attitudes
(D) The demonstrator's culture, language, and rituals

Oct/Nov 2012

38. What is the fundamental conceptual variance between 'Training' and 'Learning'?
(A) Training is an organizational procedure,

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Oct/Nov 2013

78. When hiring a new manager, an organisation formally circulated her impressive portfolio and hosted a welcoming event focusing entirely on her successful past projects. They did this specifically to manage which step of the perceptual process for existing employees?
(A) Receiving Stimuli
(B) Repression
(C) Transfer of learning
(D) Selecting Stimuli

May/June 2015

79. Read the following statements regarding the multi-stage concept of memory:
I. Memory includes sensory, working (or short-term), and long-term systems.
II. The sensory register processes inputs within seconds and discards extraneous information.
III. The working memory ignores sensory register inputs when an alarm sounds.
IV. The sensory register detects stimuli and immediately transmits relevant ones to working memory for action.
Which of the above statements are correct?
(A) I, II, and IV
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and III

Oct/Nov 2012

80. Self-concept theory consists of three factors: Traits, Competencies, and Values. Consider the following statements:
I. Traits are specific patterns of behaviour that exist within an individual and lead to how other people view them.
II. Competencies are where an individual understands what skills, abilities, and knowledge they have in an organisational environment.
III. Values are determined strictly by physical appearance rather than actions and verbal expressions.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2011

81. All of the following are cited as benefits of coaching employees, EXCEPT:
(A) Guaranteeing the immediate elimination of all negative employee traits.
(B) Employees will feel valued and like management wants them to succeed.
(C) Staff will build valuable knowledge and skills to advance professionally.
(D) Employees will feel encouraged and supported by their company.

Oct/Nov 2020

82. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): To achieve a good first impression, companies will often introduce new employees in ways that highlight their key skills and importance to the team.
Reason (R): Perceptions are built around positives instead of negatives, shaping how individuals view others and behave within the organisation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

83. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): In Open learning, the learner has unrestricted access and choice about learning goals, sequence, depth, and level of involvement.
Reason (R): Distance learning involves human face-to-face interactions facilitated by social media.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.

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(C) Interpreting
(D) Selecting Stimuli

May/June 2013

71. Change strategies for negative behaviours such as "testing" employees, bullying, or passive-aggressive comments are generally considered:
(A) Ineffective methods that can be hurtful and create distrust.
(B) The most effective means of getting the behaviour you want.
(C) Necessary steps to establish professional management authority.
(D) Encouraged under a broad "Inspire Your Employees" directive.

Oct/Nov 2021

72. Ravi is attending an induction program. He struggles to remember the steps for operating a sorting machine when the instructor merely explains it aloud or shows diagrams. However, once Ravi is allowed to physically touch the machine and run a batch of items himself, he masters the process immediately. Ravi is predominantly which type of learner?
(A) Auditory
(B) Kinesthetic
(C) Visual
(D) Sensitized

May/June 2024

73. An employee spends enormous amounts of overtime at work voluntarily. Through his actions and verbal expressions, he continuously projects himself to his peers as a highly dedicated "hard worker." According to self-concept theory, this specific manifestation of his beliefs about his own behaviour represents his:
(A) Traits
(B) Competencies
(C) Defense mechanisms
(D) Values

Oct/Nov 2008

74. Who developed the Johari Window model?
(A) Yoakman and Simpson
(B) Kurt Lewin
(C) Joseph Luft and Harry Ingram
(D) Jean Piaget

May/June 2006

75. Which of the following statements regarding employee behaviour and organisational response is incorrect?
(A) Dealing with concerns about someone's behaviour can quickly escalate and divert resources away from productive activity.
(B) Most organisations have detailed policies and procedures for dealing with poor behaviour.
(C) Organisations have a dual obligation of ensuring proper standards of behaviour and treating employees fairly.
(D) Employees always accept feedback objectively without feeling defensive.

Oct/Nov 2017

76. Which of the following statements concerning Learning Styles is incorrect?
(A) Auditory learners learn best through hearing and like to talk through concepts.
(B) Visual learners enjoy seeing things written down and observe physical elements of the teaching situation.
(C) Kinesthetic learners learn best through doing, touching, and making a product.
(D) Kinesthetic learners learn optimally by passively listening without acting out a situation.

May/June 2008

77. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The goal of training is not accomplished unless the transfer of learning occurs.
Reason (R): Transfer of learning is the application of skills and knowledge learned in one context being applied in another context, such as on the job.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2012

91. Which of the following is correct regarding how managers should address undesirable behaviour popping up in the workplace?
(A) They should ignore it, hoping the employee self-corrects over time.
(B) Providing constructive and direct feedback so the employee understands.
(C) They should mock the employee using various "testing" strategies.
(D) They should immediately terminate the employee without coaching.

Oct/Nov 2014

92. Why is it recommended to tackle one behavioural issue at a time when trying to help an employee change?
(A) Because employees lack the cognitive domain to process more than one sentence.
(B) Multiple issues require a meltdown of the entire Human Resources department.
(C) Avoiding overwhelming the employee by fixing all issues simultaneously.
(D) Employees will use negative transfer to forget everything if confronted twice.

May/June 2019

93. A department head notices general apathy among staff. Instead of issuing warnings, she invites a popular motivational speaker who shares powerful stories and uses inspirational language to tap into the employees' passions. Following the session, productivity and self-esteem visibly rise. Which method of facilitating behavioural change did the manager employ?
(A) Be a coach
(B) Tackle one issue at a time
(C) Repression of negative transfer
(D) Inspire your employees

Oct/Nov 2006

94. Consider the following possible outcomes of change initiatives as they move through critical decision points:
I. Early termination
II. Meltdown
III. Installation
IV. Realisation
V. Assimilation
Which of the above are recognized outcomes in the implementation process?
(A) I, II, III, and IV
(B) II, III, IV, and V
(C) I, II, III, and V
(D) I, III, IV, and V

May/June 2021

95. Consider the following statements regarding Employee Behaviour:
I. Raising concerns about behaviour is a challenging aspect of managing people.
II. It makes everyone feel uneasy, even if they are not personally involved.
III. Managers face pressure to address concerns and minimise work disruption.
IV. Dealing with behaviour cases never diverts time or resources away from productivity.
V. No matter how well developed policies are, there is always room for improvement.
Which of the above statements are correct?
(A) I, II, III, and V
(B) II, III, IV, and V
(C) I, III, IV, and V
(D) I, II, III, and IV

Oct/Nov 2010

96. Regarding creating collective goals to change employee behaviour, which of the following statements are true?
I. Changing employee behaviour is sometimes best done when working with the entire team rather than an individual.
II. Managers should set clear goals for the entire workforce to guide employees to act out positive behaviours.
III. When everyone has their sight fixed on the same objective, change initiatives have the best chance of success.
IV. Group training sessions and meetings should be avoided as they discourage positive change.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

NODIA

May/June 2005

97. Initially, all learning comes from perceptions directed to the brain by one or more of the

59. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Learning is fundamentally a purposive and goal-oriented activity. Individuals are much more likely to be interested and engaged in the process when they have a clear understanding of the objectives they are meant to achieve. This awareness provides a sense of direction and motivation, helping the learner focus their efforts on mastering the specific skills or knowledge required.

60. (B) Social interaction theory
Social interaction theory posits that learning occurs as a result of the interactions between a student and their environment, including peers and mentors. In this case, the trainee learns professional interaction by observing a senior colleague and processing the consequences of those actions. This direct modeling and social engagement allow for the acquisition of complex social and professional behaviors in the workplace.

61. (A) P-3, Q-4, R-1, S-2
The perception process consists of several sequential stages. Receiving stimuli involves picking up all internal and external factors. Selecting stimuli means choosing which inputs are most important, such as emphasizing positive traits. Interpreting is where errors like stereotyping or the halo effect can occur. Finally, response is the phase where perception is translated into attitudes, motivation, and modified behavior.

62. (A) P-3, Q-2, R-4, S-1
Different terms describe aspects of memory. Memory refers broadly to the capacity for or act of remembering. Remembrance applies to the specific act or fact of being remembered. Recollection implies the conscious and effortful bringing back of information to the mind. Reminiscence suggests the recalling of usually pleasant incidents or feelings from the remote past, often in a narrative way.

63. (B) I, III, and IV
Human perception and memory are heavily influenced by the senses. All learning begins with sensory input directed to the brain. Research shows that people remember about 90% of what they say as they perform an action, and the majority of learning occurs through sight. However, the claim that people retain 83% through hearing is incorrect, as hearing only accounts for 11%.

64. (C) Negative transfer
Transfer of learning involves applying knowledge from one context to another. Negative transfer occurs when previously learned experiences or habits interfere with and hinder the acquisition of new skills or information. This often happens when the old way of doing things is so deeply ingrained that it makes it difficult for the individual to adapt to a different method or process.

65. (A) P-4, Q-1, R-2, S-3
The Johari Window is a model for understanding interpersonal relationships and self-awareness. The Open Area contains information known to both the individual and others. The Blind Area involves information known to others but not to the individual. The Hidden Area is known only to the individual. The Unknown Area contains information that is unknown to both the individual and their colleagues.

66. (C) Both I and II
When faced with negative employee behavior, managers have a responsibility to intervene. Ignoring such issues can jeopardize team morale, harm overall productivity, and potentially lead to the loss of clients. A more effective approach is to work actively to facilitate behavioral change and reinforce positive behaviors, ensuring a professional standard is maintained within the organization while supporting employee development.

67. (C) Principle of Intensity
The principle of intensity suggests that a vivid, dramatic, or highly realistic experience teaches more effectively than a routine or boring one. By staging an immersive and realistic mock robbery drill, the trainer creates a powerful experience that makes a deep impression on the employees. This ensures that the safety protocols are remembered perfectly due to the intensity of the experience.

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ANSWERS

1. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Many organizations struggle to translate new strategies into actual results because they prioritize the selection of solutions over the complexities of execution. Successful organizational change requires a deep focus on the deployment process and the realization of benefits. By neglecting the human and operational requirements of implementation, companies often fail to unlock the potential of their strategic investments.

2. (C) Organisational structures
In the context of a work environment landscape, human components are the psychological and social elements that influence how people react to change. These include individual beliefs, values, internal assumptions, and emotional responses like resistance or fear. Conversely, organizational structures represent formal, inert aspects such as hierarchy and reporting lines, rather than the intrinsic human landscape itself.

3. (A) Only I is correct
A Human Resources Plan is a strategic tool used to analyze and forecast the manpower requirements needed to achieve organizational goals. While it involves managing workforce levels, its purpose is not limited to retrenching staff. Instead, it encompasses recruitment, training, and development to ensure the right people are in the right roles at the optimal cost for the business.

4. (C) Equilibrium - State reached when driving forces and restraining forces are of equal magnitude
Kurt Lewin's force field analysis model describes organizational change as a dynamic tension between two opposing sets of forces. Driving forces push for change, while restraining forces act to maintain the current status quo. Equilibrium is achieved only when these opposing forces reach an equal magnitude, resulting in a stable state where no significant movement or change occurs.

5. (B) P-2, Q-4, R-1, S-3
Organizational change initiatives move through distinct stages toward a final outcome. Early termination occurs when projects are canceled before official announcements. Meltdown describes projects that are discontinued after launch. Installation signifies that a solution is physically deployed but its full intent is not yet reached. Finally, realization occurs when the intended benefits, such as cost savings, are fully achieved.

6. (B) Pushing up driving forces while converting or immobilising the restraining forces.
When driving and restraining forces are in equilibrium, no organizational change can take place. To break this stalemate and implement a new program, management must actively intervene. This involves increasing the strength of driving forces, such as highlighting efficiency gains, while simultaneously working to reduce, convert, or immobilize the restraining forces that represent employee resistance or union concerns.

NODIA

(B) Aligning people-related activities with the organization's business strategy
Strategic Human Resource Management involves the deliberate alignment of all people-management activities with the broader business strategy of the organization. It treats human resources as a critical asset for achieving a competitive advantage. This approach ensures that recruitment, training, and performance management systems directly support the long-term goals and operational requirements of the firm in a competitive corporate landscape.

8. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Human landscapes inherently generate resistance because organizational change disrupts established routines and the perceived security of the status quo. People naturally form habits and social structures that provide comfort and predictability. When new initiatives threaten these settled patterns, individuals often exhibit

42. (A) Only I
Augmented learning occurs when a student interacts with an e-learning environment that is dynamically tailored to their specific natural surroundings. This technology-driven approach allows for a highly personalized and contextualized experience. Contrary to the idea that personalization degrades performance, tailored instruction in augmented learning has been shown to significantly enhance learning outcomes by making the content more relevant to the individual.

43. (B) Learning is growth
Learning is a continuous process of development that occurs through living and experiencing various activities. When an individual overcomes physical and mental challenges through diverse field experiences, they expand their horizons and capabilities. This characteristic, where an individual's overall development is shaped by their environment and experiences, is best encapsulated by the principle that learning is synonymous with growth.

44. (A) P-2, Q-3, R-4, S-1
Different theories explain how people learn. Behaviorism uses positive reinforcement to shape behavior. The information processing model focuses on how internal structures encode and chunk information. Social interaction theories emphasize the role of the environment and group dynamics. Cognitive theory, in a general sense, focuses on the internal mental processes that occur inside the student's mind rather than just external behavior.

45. (C) It is relevancy-oriented
Adult learners are highly relevancy-oriented, meaning they are most motivated when they can see how the subject matter relates directly to their personal or professional goals. In this scenario, the IT professional's interest increased once she understood how the cybersecurity protocols would help her achieve her career objective. This alignment between learning content and personal advancement is a key driver for adults.

46. (B) Learning the requirements of one's native culture to acquire appropriate values.
Enculturation is the process by which an individual learns the requirements, values, and norms of their native culture. It involves acquiring the necessary behaviors and beliefs to function effectively within one's own social group. This process is distinct from acculturation, which involves learning the values of a different, usually dominant, culture after having already been enculturated into one's own group.

47. (A) P-2, Q-3, R-4, S-1
Adult learning traits define how mature students engage with education. Goal-orientation involves identifying clear outcomes within a specific timeframe. Relevancy-orientation relates tasks to personal objectives. Highlighting practicality means finding ways to apply theoretical concepts to real-life situations. Encouraging collaboration involves treating learners as colleagues and valuing their contributions to the learning environment, which fosters a more supportive and effective experience.

48. (B) The development of our mental skills and the acquisition of knowledge
The cognitive domain of learning is primarily concerned with the development of mental skills and the acquisition of knowledge. It encompasses intellectual processes such as remembering, understanding, applying, analyzing, evaluating, and creating. This domain is separate from the affective domain, which deals with emotions and attitudes, and the psychomotor domain, which focuses on physical skills and manual tasks requiring coordination.

49. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
For learning to be effective and permanent, it must be an intelligent process rather than a mechanical one. Rote memorization or cramming without true understanding rarely leads to satisfactory long-term results. When students engage with the material intelligently, they can grasp the underlying principles and relationships, ensuring that the knowledge is retained and can be applied in various contexts.

50. (A) I and II only
Both the information processing model and the social interaction model within cognitive theory share certain fundamental principles. They acknowledge the importance of reinforcing

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17. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Shareholder returns depend on the successful execution of business strategies, which requires a supportive human landscape. If people are not prepared for change, dysfunctional installation occurs, meaning the solution is technically present but not effectively utilized. This mismatch prevents the organization from realizing the promised benefits of its investments, highlighting the critical link between human readiness and financial success.

18. (B) IV, II, III, I
The standard sequence for implementing new organizational solutions begins with identifying the appropriate solution to address specific problems. Following this, the project is officially announced to the relevant stakeholders. The third stage involves the actual deployment through training, equipment provision, and support activities. Finally, the organization reaches realization by reaping the full business benefits intended by the initial change initiative.

19. (D) Being naive about organizational requirements and lacking tools for people dynamics.
Many leaders struggle with the human side of implementation because they are often naive about the complex organizational requirements of change. They may lack the specific tools and frameworks needed to manage the dynamic people side of the business. Consequently, they focus heavily on the technical solution itself while underestimating the cultural and psychological preparation required for successful strategy execution.

20. (A) Only I and II
Installation is a critical but precarious stage in the change process; it can either lead to full success or become a barrier to progress. For realization to take place, the solution must first be installed so that it can be used as intended to achieve business results. However, installation does not refer to the abrupt withdrawal of projects, which is characteristic of the failure outcomes.

21. (B) I and III only
Learning is fundamentally defined as a process that results in a change in behavior or knowledge. For this change to be considered learning, it must be relatively permanent and endure over a long period. Conversely, behavioral changes that occur simply as a result of biological growth or physical maturity are not classified as learning in the psychological sense of the term.

22. (B) Today's competitive advantage becomes tomorrow's minimum level of acceptable performance.
Competitive advantage is not a static or permanent position; it is constantly eroded by the actions of competitors and shifts in the market. What gives an organization an edge today will eventually be replicated or surpassed, becoming the baseline requirement for acceptable performance in the industry. Continuous innovation and improvement are necessary to maintain a leading position over time.

23. (D) A customer contact instance used to form or change impressions of the firm.
In an organizational context, a moment of truth refers to any instance where a customer comes into contact with the firm and its employees. These interactions are critical because they provide the opportunity for the customer to form or change their impression of the service quality and brand. Managing these touchpoints effectively is essential for building customer loyalty and competitive advantage.

24. (D) I, II, III, and IV
Preparing people for change requires addressing several critical questions regarding organizational readiness. Management must evaluate the commitment levels of leaders and the availability of intellectual or emotional resources for users. Additionally, understanding the gap between required behaviors and current culture, as well as identifying both overt and covert reluctance among stakeholders, is essential for mitigating resistance and ensuring adoption.

25. (B) Human aspects - Strategies and software
Work environments consist of both inert and human components. Inert aspects include physical structures, capital, tools, formal policies, and technological software or strategies. Human

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reluctance, making the management of human dynamics essential for successful implementation of any strategic shift.

9. (A) P-4, Q-1, R-2, S-3
Assessing human landscape readiness involves evaluating four critical elements. Sponsors represent the management structure ensuring appropriate application of initiatives. Capacity refers to the resources available for people to adapt. Culture encompasses the unwritten ground rules governing day-to-day behavior. Targets are the individuals whom the initiatives intend to influence. Together, these factors determine the organization's ability to successfully implement change.

10. (C) Cultural merger
A merger involves both technical and human integrations. While financial and physical aspects may be successfully consolidated, the cultural merger fails if employees retain separate corporate identities and resist assimilation into the new entity. In this scenario, the persistence of the old identity signifies a lack of integration into the new culture, preventing the organization from operating as one unit.

11. (D) A progressive diminution of response probability with repeated stimulus exposure.
Habituation is a fundamental non-associative learning process where there is a progressive decrease in the probability or strength of a response following repeated exposure to a stimulus. It allows an individual to ignore irrelevant or redundant environmental factors. Unlike associative learning, habituation does not involve pairing different stimuli but rather focuses on the fading of a reaction to a constant one.

12. (C) Addressing shifting competition and evolving target market preferences
Maintaining a competitive advantage requires constant monitoring of the external environment, including evolving customer preferences and the emergence of new competitors. In this case, the newspaper failed to adapt to the digital shift, losing its readership to free online news providers. Successful organizations must anticipate market transitions and adjust their value proposition to meet the needs of their changing target audience.

13. (A) Isolated features of the landscape having no inherent connections to one another.
In the context of work environments, inert aspects are characterized as isolated features of the landscape that lack inherent connections to one another. These typically include physical assets, formal policies, and technological tools. Unlike the dynamic human elements, these features are passive and do not actively drive or resist change on their own, though they form the infrastructure of the organization.

14. (C) Early Termination
Implementation outcomes are categorized based on when and how a project ends. Early termination occurs when a change initiative is discontinued by leadership before any official announcement or public engagement. This usually happens during the initial planning or approval phases due to external shocks or strategic shifts, ensuring that resources are withdrawn before the organization is fully committed to the project.

15. (C) Assertion (A) is true, but Reason (R) is false.
Effective leadership requires a thorough assessment of both driving and restraining forces before executing a change plan. This analysis helps in understanding potential barriers and facilitators. However, planned change is never automatic, and individual resistance is a very real phenomenon rather than a myth. Management must actively navigate human dynamics to ensure that strategic initiatives are successfully adopted and realized.

16. (A) Generating alternative financial revenues directly from HR activities
The primary goals of Human Resource Management involve aligning people strategies with business objectives to add value and meet stakeholder needs. HRM focuses on optimizing the workforce to enhance organizational performance and ensure compliance with employment standards. Generating direct financial revenue as a standalone activity is not typically considered a core objective of the HR function within a corporate business model.

NODIA

34. (A) I, II, and III
Adult learners have distinct characteristics that differentiate them from younger students. They need to understand the purpose behind what they are learning and prefer experiential, hands-on methods. Furthermore, they approach learning as a way to solve real-world problems. They are motivated by the immediate value of the topic, meaning that learning for irrelevant subjects is generally less effective for them.

35. (A) Having a particular form of behaviour reinforced through rewards or stimuli.
The behaviorist approach to learning posits that behavior can be shaped and controlled through environmental influences. The primary mechanism for this is reinforcement, where desired behaviors are encouraged through rewards or positive stimuli. By consistently reinforcing a particular response, the learner becomes conditioned to repeat that behavior, focusing on observable outcomes rather than internal mental processes or complex cognitive structures.

36. (A) I and II only
Educational psychologists identify several principles that enhance learning. Readiness implies that students must be eager and single-minded to progress effectively. The principle of exercise emphasizes that repetition and drill are necessary because human memory is fallible and requires reinforcement. However, the principle of recency states that things learned most recently are best remembered, rather than forgotten most quickly.

37. (A) The demonstrator's goals, actions, and environmental outcomes
Imitation is a sophisticated learning process characteristic of humans, allowing for the simultaneous copying of three types of information. The learner observes and replicates the specific goals of the demonstrator, the physical actions taken to achieve those goals, and the resulting environmental outcomes. This comprehensive approach to learning from others facilitates the efficient transfer of complex skills and social behaviors.

38. (D) Training is a job-specific skill procedure, whereas learning modifies behavior.
While often used interchangeably, training and learning have distinct conceptual meanings. Training is a structured organizational procedure focused on teaching job-specific skills or knowledge to perform a particular task. Learning is a broader, more fundamental process that results in a permanent modification of an individual's behavior, attitudes, or knowledge base, often extending beyond the scope of a specific role.

39. (D) They are best when collaborative and utilise a problem-based approach.
Adult learning theory suggests that the most effective environments for mature learners are collaborative and problem-based. Adults prefer to work with others and apply their knowledge to solve practical, real-life challenges rather than simply memorizing facts. These environments should respect the learner's experience and provide opportunities for self-direction, making the educational process more relevant and engaging for the individual.

40. (D) Cognitive Domain - Dancing, riding a bike, diving
Learning is categorized into three main domains. The cognitive domain involves mental skills like recalling, calculating, and analyzing. The affective domain pertains to feelings, emotions, and attitudes such as appreciation or fear. The psychomotor domain involves physical motor skills and coordination. Categorizing physical activities like dancing or riding a bike under the cognitive domain is incorrect, as they belong to the psychomotor domain.

41. (B) I, III, IV, and V
Learning principles guide effective instruction. Readiness ensures progress through clear objectives, while intensity teaches through vivid experiences. Recency emphasizes the importance of end-of-lesson summaries. Classrooms often have limitations in realism. However, the principle of exercise contradicts the idea that complex steps are mastered in one demonstration; instead, they require repeated practice for retention and master of the skill.

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aspects, on the other hand, are the psychological elements such as perceptions, fears, aspirations, and beliefs. Therefore, categorizing software and formal business strategies as human aspects is incorrect, as they belong to the technical infrastructure.

26. (A) P-4, Q-1, R-2, S-3
Determining competitive advantage involves several key factors. Benefit focuses on offering real value that customers truly need. Target market requires knowing exactly who the customers are and how the product improves their lives. Competition includes anything else a customer might use to meet their needs. Sustainable competitive advantage involves aligning the corporate culture and strategies to maintain that edge over time.

27. (A) Dropping the change programme or postponing it to a more opportune time.
According to Kurt Lewin's force field analysis, if the restraining forces that oppose a change are stronger than the driving forces pushing for it, the change initiative will likely fail. In such situations, the most prudent managerial action is to either drop the change program entirely or postpone it until a more opportune time when the forces can be realigned.

28. (A) Gaining a pre-launch platform to test products and competencies in the market.
Implementation challenges focus on ensuring that strategic initiatives deliver the promised business benefits. Success in today's volatile markets depends on achieving realization, where the organization reaps full value from a change. While leaders must avoid strategies that are merely installed without being effective, gaining a pre-launch platform to test products is not typically cited as a core implementation challenge.

29. (C) Sponsorship
Successful change requires active and committed sponsorship from the management structure. In this scenario, while the technical capacity and training are provided, the branch managers and supervisors are undermining the new system. Their failure to mandate and support the initiative demonstrates a breakdown in sponsorship, which is critical for ensuring that change initiatives are appropriately applied and followed by staff.

30. (B) Realisation
A meltdown occurs when a change initiative is launched and resources are engaged, but it eventually stalls or fails due to significant resistance or resource drain. In these cases, decision-makers may attempt to camouflage the failure by subtly declaring the project a success, even though the intended business results were never achieved. This differs from early termination, which occurs before public engagement.

31. (C) Rote learning
Learning is typically categorized into domains such as motor learning, which involves physical skills; verbal learning, which involves language; and attitude learning, which focuses on internal states. While rote learning is a method of acquiring information through repetition, it is not considered one of the distinct psychological types or domains of learning like the cognitive, affective, or psychomotor categories.

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32. (B) Horizontal learning adds specific information, while vertical learning organizes it into a complex structure.
Learning dimensions can be viewed as both horizontal and vertical. Horizontal learning is quantitative and involves the simple acquisition of specific facts or information. Vertical learning, by contrast, is qualitative and involves organizing that information into a more complex mental structure, adding precision and depth to what is already known. Together, these dimensions represent knowledge.

33. (A) P-2, Q-1, R-4, S-3
Learning takes many forms depending on the process involved. Sensitization involves the progressive amplification of a response to a stimulus. Classical conditioning pairs a neutral stimulus with an unconditioned one to evoke a response. Acculturation is the social process of learning values from a dominant culture. Imitation involves personally repeating an observed behavior, including the goals and outcomes demonstrated.

desired behaviors to facilitate learning and emphasize the necessity of measuring changes in a student's performance or understanding. However, they do not reject the measurement of knowledge; rather, assessment remains a key component for evaluating the effectiveness of instruction.

51. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The principle of exercise posits that behaviors and concepts that are repeated most often are best remembered by the learner. Because the human mind is fallible and tends to forget information over time, instructors must provide regular opportunities for students to practice newly introduced skills. This repetition helps consolidate learning, allowing the student to retain and eventually master the material.

52. (D) Informal learning
Informal learning occurs organically through day-to-day life experiences and interactions with others, such as family members or peers. Unlike formal learning, which takes place in a structured educational or professional setting, informal learning is unplanned and happens through association and observation. In this scenario, the child learns about financial values during a routine family dinner, exemplifying this spontaneous process.

53. (C) I, II, IV, and V
Cognitive theories like the information processing and social interaction models include several key characteristics. These involve the brain selecting and processing material, the use of executive functions for planning, and learning through interactions between the student and the environment. Additionally, direct modeling and verbal instruction are key techniques. Shaping behavior strictly through reinforcement is a hallmark of behaviorism.

54. (C) Relevancy-oriented - Relating assigned tasks directly to specific personal learning objectives.
A key characteristic of adult learning is that it is relevancy-oriented. This means that adult learners are most engaged when the assigned tasks and information relate directly to their specific, personal learning objectives. They need to see the practical application of what they are studying. Conversely, adults prefer self-direction over dictation and value their past experiences as a foundation for knowledge.

55. (A) Only I
Yoakman and Simpson describe learning as having several fundamental characteristics, including being both individual and social in nature. This means that while learning occurs within the person, it is also shaped by interactions within a community or social group. Importantly, learning does include behavioral changes in the emotional sphere, contrary to the idea that it is limited only to intellectual skills.

56. (A) Classical conditioning
Classical conditioning is a learning process where a neutral stimulus, such as a bell, is repeatedly paired with a meaningful stimulus, like snacks, until the neutral stimulus alone evokes the response. In this workplace scenario, the employees have been conditioned to feel excitement at the sound of the bell because they have associated it with the positive reward of coffee and snacks.

57. (A) Physiological changes like fatigue.
Learning is defined by a relatively permanent change in behavior resulting from experience or study. This process encompasses the acquisition of symbolic knowledge, motor skills, and even changes in the emotional sphere. However, temporary changes in behavior caused by physiological factors such as physical fatigue, illness, or the influence of drugs are not considered learning because they are not permanent modifications.

58. (A) Affective domain
The affective domain of learning deals with internal states such as feelings, emotions, and attitudes. When an employee moves beyond simply memorizing policies to developing genuine empathy and appreciation for colleagues, they are engaging in the affective domain. This type of learning is essential for fostering a positive and inclusive workplace culture where values and emotional intelligence are prioritized alongside technical skills.

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five senses. Which of the following statistics regarding sensory learning is incorrect?
(A) 25% through smell
(B) 1% through taste
(C) 1.5% through touch
(D) 11% through hearing

Oct/Nov 2022

98. Which of the following is NOT one of the nine characteristics of learning described by Yoakman and Simpson?
(A) Learning is growth
(B) Learning is exclusively an individual activity unaffected by society
(C) Learning is intelligent
(D) Learning is the product of the environment

May/June 2018

99. What is the core mechanism of "coaching" for facilitating behavioural change?
(A) Providing inconsistent, one-time lectures to highlight personal flaws.
(B) Waiting until the annual review to formally document all misbehaviours.
(C) Setting up passive-aggressive tests to see if the employee fails.
(D) An ongoing process of collaborative feedback to adjust behavior and skills.

Oct/Nov 2016

100. Which of the following statements regarding memory and forgetting is incorrect?
(A) The sensory register discards what is considered extraneous and processes what is relevant.
(B) The theory of disuse suggests that a person forgets those things which are not used for a long time.
(C) All theories of forgetting imply that when a person forgets something, it is not actually lost but simply unavailable for recall.
(D) Long term memory is a pure, flawless recall of information or events.

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68. (B) Inhibiting perception by creating barriers that affect implementation.
An individual's self-concept significantly influences their ability to perceive and learn. A negative self-concept can inhibit the perceptual process by creating psychological barriers that affect how new information is received and processed. This can lead to defensiveness and resistance to change, making it difficult for the person to implement new behaviors or strategies within the organizational context as required.

69. (A) Interference from similar material
Forgetting can occur due to several psychological theories. Interference from similar material happens when the learning of one task, such as Software B, conflicts with the retention of a highly similar task, such as Software A. Because the two software systems are so alike, the new information overlaps with and disrupts the memory of the previously learned commands, causing difficulty.

70. (C) Interpreting
In the perception process, interpreting is the stage where individuals assign meaning to the stimuli they have selected and organized. This assignment of meaning is heavily influenced by a person's own deeply held beliefs, values, and insecurities. Therefore, two people can experience the same event, like a colleague's disagreement, but interpret it differently based on their unique internal perspectives.

71. (A) Ineffective methods that can be hurtful and create distrust.
Using strategies such as testing employees, bullying, or making passive-aggressive comments are generally considered ineffective ways to manage or change behavior. These methods tend to be hurtful and create a culture of distrust and fear within the organization. Instead of encouraging positive change, they often lead to increased resistance, lower morale, and a breakdown in professional relationships between management and staff.

72. (B) Kinesthetic
Kinesthetic learners master new concepts and skills most effectively through physical activity and hands-on experience. They learn best by doing, touching, and physically interacting with the subject matter. In this case, Ravi struggles with verbal or visual instructions but masters the sorting machine immediately once he is allowed to physically operate it himself, demonstrating a clear kinesthetic learning style.

73. (D) Values
According to self-concept theory, values are those beliefs about one's own behavior that are manifested through consistent actions and verbal expressions. By voluntarily working overtime and projecting himself as a dedicated professional, the employee is demonstrating his internal values. These values help define how the individual views themselves and how they want to be perceived by peers in the workplace.

74. (C) Joseph Luft and Harry Ingram
The Johari Window is a well-known psychological model used to help people better understand their relationship with themselves and others. It was developed by two psychologists, Joseph Luft and Harry Ingram, in 1955. The name "Johari" is actually a combination of their first names, Joe and Harry, reflecting their collaborative effort in creating this framework for self-awareness.

75. (D) Employees always accept feedback objectively without feeling defensive.
Managing employee behavior is a complex task that requires balancing organizational standards with fair treatment. While companies often have detailed policies for poor behavior, dealing with these cases can be resource-intensive. It is incorrect to assume that employees always accept feedback objectively; in reality, individuals often feel defensive or threatened when their behavior is questioned, requiring careful communication.

76. (D) Kinesthetic learners learn optimally by passively listening without acting out a situation.
Learning styles describe the diverse ways individuals process information. Auditory learners prefer hearing, while visual learners prefer seeing things written down. Kinesthetic learners thrive on physical interaction and doing. Therefore, the statement that kinesthetic learners learn optimally by passively listening without acting is incorrect, as this approach contradicts their fundamental need for movement and hands-on engagement during the process.

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94. (A) I, II, III, and IV
Change initiatives typically progress through several critical decision points, resulting in one of four primary outcomes. These include early termination before launch, meltdown after resources are engaged, installation where the solution is deployed but benefits are not yet realized, and realization where the organization reaps the full business benefits. These outcomes reflect the different levels of success or failure in implementation.

95. (A) I, II, III, and V
Managing employee behavior is one of the most challenging aspects of people management. Such cases often make everyone in the organization feel uneasy and under pressure to resolve the situation to minimize disruption. Even with well-developed policies, there is always room for improvement. It is important to acknowledge that dealing with these issues inevitably diverts some time and resources.

96. (A) I, II, and III
Sometimes, changing employee behavior is most effective when working with an entire team rather than just an individual. Setting clear collective goals for the workforce provides a unified direction, guiding employees toward positive behaviors. When everyone is focused on the same objective, change initiatives have a better chance of success. Group meetings and training sessions are valuable tools here.

97. (A) 25% through smell
Learning begins with sensory perceptions directed to the brain. While sight and hearing are the dominant senses for learning, other senses also play a role. Statistics indicate that approximately 11% of learning occurs through hearing, 1.5% through touch, and 1% through taste. The claim that 25% of learning occurs through smell is incorrect, as the actual percentage for smell is much lower.

98. (B) Learning is exclusively an individual activity unaffected by society
Yoakman and Simpson identify several key characteristics of learning, including that it is synonymous with growth, it is an intelligent process, and it is a product of the individual's environment. However, they emphasize that learning is both individual and social in nature. Therefore, the statement that learning is exclusively an individual activity unaffected by society is incorrect and contradicts their framework.

99. (D) An ongoing process of collaborative feedback to adjust behavior and skills.
Coaching is a proactive management tool used to facilitate behavioral change and skill development. Its core mechanism is an ongoing process of collaborative feedback between the manager and the employee. Unlike annual reviews or one-time lectures, coaching involves regular interactions aimed at adjusting behaviors and improving competencies in real-time, helping the employee feel supported and valued while they advance professionally.

100. (D) Long term memory is a pure, flawless recall of information or events.
Theories of memory explain that the sensory register filters incoming information, while forgetting can be caused by disuse or interference. It is a common misconception that long-term memory provides a pure and flawless recall of events. In reality, long-term memory is a reconstruction that can be affected by individual biases and inaccuracies over time, making it fallible rather than a perfect recording.

NODIA

from the environment. Next, the individual engages in selecting stimuli by focusing on some specific inputs. These selected stimuli are then organized into meaningful patterns before the individual proceeds to interpreting them based on their beliefs. Finally, the process results in a response, such as change.

86. (B) Passive listening yields ~5% retention, whereas active engagement is higher.
Statistics regarding learning retention show a significant difference between passive and active engagement. Students who passively listen to a lecture typically only retain about five percent of the information presented. In contrast, those who are actively engaged—through methods such as discussion, practice by doing, or teaching others—demonstrate much higher retention rates, highlighting the importance of participatory learning in training programs.

87. (B) Providing meaningful experiences to build confidence in transferring skills.
To promote the successful transfer of learning, instructors should design activities that provide meaningful experiences for the students. By challenging managers to apply advanced problem-solving techniques to real-life factory scenarios, the trainer helps them build confidence in their ability to use these skills on the job. This practical application bridges the gap between the classroom and the actual work environment.

88. (B) Recognizing that self-perceived threats are resisted and aiding perception.
Instructors must recognize that individuals have a basic need to maintain and enhance their self-concept. When students perceive a threat to their self-image, they naturally employ defense mechanisms and resist the learning process. An effective instructor acknowledges these psychological barriers and helps the student navigate them by aiding perception and reducing the sense of threat, rather than using aggression or force.

89. (A) I, III, and V
Long-term memory is not a perfect recording but a reconstruction of events that can be influenced by personal biases. Forgetting is explained by theories such as disuse, interference, and repression. Material that is not well learned initially is most susceptible to interference from other information. Meaningful learning, rather than rote learning, goes deep by building relationships in the learner's consciousness.

90. (A) Only I
A student's self-concept or self-image exerts a powerful influence on their entire perceptual process and how they receive new information. If a student has negative experiences that contradict their self-concept, they are likely to become defensive and resistant rather than receptive to additional training. Maintaining a positive self-image is essential for creating an environment where a learner feels capable of growth.

91. (B) Providing constructive and direct feedback so the employee understands.
When undesirable behavior occurs in the workplace, managers should not ignore it or resort to mocking the employee. The most effective approach is to provide constructive and direct feedback. This ensures that the employee clearly understands what is expected of them and which specific behaviors need to change. Clear communication is the first step toward resolving behavioral issues and standards.

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92. (C) Avoiding overwhelming the employee by fixing all issues simultaneously.
When attempting to help an employee change their behavior, it is recommended to tackle only one issue at a time. Addressing multiple problems simultaneously can overwhelm the individual, leading to increased stress and a higher likelihood of failure. By focusing on a single, clear objective, the employee can dedicate their effort toward making a specific improvement before moving on to others.

93. (D) Inspire your employees
To facilitate behavioral change, managers can use various methods, including inspiring their employees. By inviting a motivational speaker who uses powerful language and stories to tap into staff passions, the manager can boost productivity and self-esteem. This approach focuses on emotional engagement and vision-sharing to encourage employees to act in ways that align with the organization's goals and culture.

(B) The horizontal expansion of a job by adding more tasks with the same skill requirements
(C) The alignment of an individual's personal goals with the financial incentives of the company
(D) The attempt to build into jobs a higher sense of challenge and achievement

Oct/Nov 2009

27. Which of the following is NOT listed as a reason for the importance of employee motivation?
(A) It requires greater supervision
(B) It creates a positive atmosphere in the organisation
(C) It ensures clients are happy
(D) It achieves better results

May/June 2023

28. Which researcher defined job satisfaction as any combination of psychological, physiological, and environmental circumstances that cause a person to say they are satisfied with their job?
(A) Hoppock (1935)
(B) Herzberg (1957)
(C) Maslow (1970)
(D) Vroom (1995)

Oct/Nov 2015

29. Which of the following statements regarding general findings on employee engagement is incorrect?
(A) Only 29 per cent of employees are currently actively engaged in their jobs
(B) Fifty-four per cent of employees are not engaged and sleepwalk through work
(C) Engagement is strictly tied to macro-economic conditions rather than work
(D) Seventeen per cent of employees are disengaged and act out their unhappiness

May/June 2019

30. In Vroom's Expectancy Theory, which component represents the degree to which an individual believes that performing at a particular level will lead to the attainment of a desired outcome?
(A) Expectancy
(B) Valence
(C) Proximity
(D) Instrumentality

Oct/Nov 2017

31. Arrange the relationships evaluated in Vroom's Expectancy Theory in the correct sequential linkage from effort to individual satisfaction:
I. Performance-reward relationship
II. Effort-performance relationship
III. Rewards-personal goal relationship
(A) I, II, III
(B) II, I, III
(C) III, I, II
(D) II, III, I

May/June 2016

32. Which of the following pairs incorrectly matches a Herzberg factor with its classification?
(A) Challenging work – Motivation factor
(B) Status – Motivation factor
(C) Job security – Hygiene factor
(D) Recognition – Motivation factor

Oct/Nov 2020

33. What is the core principle of the Pygmalion Effect in an organisational setting?
(A) Lateral transfer of employees reduces boredom and fatigue in the workplace
(B) Positive manager expectations lead to positive results and employee effort
(C) Extrinsic rewards reduce the intrinsic enjoyment of a specific task activity
(D) Frustration of a higher-order need increases the desire for a lower-level one

May/June 2007

34. Consider the following statements about Job Rotation:
I. Job rotation enables the training of workers to be backups for other workers, providing a more flexible workforce.
II. Job rotation eliminates all stress and anxiety among employees since they constantly learn new tasks.
Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2013

35. Match the "C" of employee engagement in List I with its description in List II.
List I: (Category)
P. Connect
Q. Clarity

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CHAPTER 12
Employee Motivation

Oct/Nov 2010

1. Under the Need Hierarchy Theory, which of the following are considered lower-order needs satisfied by external means?
(A) Social and Self-esteem needs
(B) Self-actualization and Safety needs
(C) Self-esteem and Physiological needs
(D) Physiological and Safety needs

May/June 2018

2. Which of the following is a recognized limitation of job enrichment?
(A) It completely eliminates the need for any form of supervision
(B) It is highly effective for highly technical jobs requiring specialized assembly line techniques
(C) Managers and workers may show a lack of interest or plain laziness to take on an enlarged role
(D) Union leaders generally provide unanimous support for job enrichment programs

Oct/Nov 2014

3. What is the definition of employee engagement?
(A) The happiness an employee feels when provided with recreational facilities at work
(B) The process of expanding the number of tasks assigned to a given job
(C) The emotional commitment the employee has to the organisation and its goals
(D) The degree to which an individual believes that performing at a particular level leads to a desired outcome

May/June 2006

4. Which of the following statements incorrectly describes the determinants of Job Satisfaction?
(A) Close supervision generally breeds dissatisfaction among the modern workforce
(B) Workers derive satisfaction when co-workers are helpful, friendly, and kind
(C) Studies prove higher educated workers always show higher satisfaction levels
(D) Most workers feel satisfied when paid more adequately for the work performed

Oct/Nov 2023

5. In the Two-Factor Theory, how do hygiene factors function within the workplace?
(A) Their presence significantly increases job satisfaction and motivates employees
(B) Their presence prevents dissatisfaction but does not motivate if present
(C) Their absence directly leads to the fulfillment of self-actualization needs
(D) They serve as intrinsic motivators that propel employees to insert additional interest into their job

May/June 2020

6. Which of the following is NOT one of the Ten C's of employee engagement?
(A) Congratulate
(B) Coercion
(C) Control
(D) Contribute

Oct/Nov 2012

7. Which of the following defines the concept of hedonism in the context of human behaviour?
(A) The internal psychological force that drives individuals to accomplish personal goals
(B) The idea that people seek pleasure and comfort and try to avoid pain and discomfort
(C) The deep emotional commitment an employee possesses toward their organisation
(D) The predisposition to behave in a specific manner to achieve unique needs

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May/June 2009

8. Which of the following statements correctly describes the Self-determination Theory?
(A) An autopilot mechanism for achievement that requires no environmental support
(B) A natural tendency toward growth that requires active environmental encouragement
(C) The assertion that individuals are inherently

Which combination of statements is correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2021

42. In an industry where basic needs like salary are standardized by periodical wage accords, what factors primarily influence employee satisfaction?
(A) Basic physiological requirements and standard workplace safety protocols
(B) Coercion methods and formal hierarchical control of all daily tasks
(C) Enhanced work environments, autonomy, recognition, and social status
(D) Continuous horizontal expansion of routine duties and simple operations

Oct/Nov 2025

43. Which pair correctly identifies a characteristic of Job Enlargement?
(A) Increased personal accountability – Job Enrichment
(B) Full Ability Utilization – Job Enlargement
(C) Vertical loading of tasks – Job Enrichment
(D) Empowerment bypassing supervisors – Job Enrichment

May/June 2024

44. Match the concept or author in List I with their premise in List II.
List I: (Concept/Author)
P. Frederick Winslow Taylor
Q. David McClelland
R. Elton Mayo
S. Incentive Program Principles
List II: (Premise)
1. Principles involving employee participation and linking rewards to performance
2. Motivation is largely determined by economic rewards
3. Satisfaction lies in aligning a person's life with fundamental motivations
4. Importance of informal work groups and the Hawthorne Effect
(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2022

45. According to Goal-Setting Theory, a goal's efficiency is affected by which of the following features?
I. Proximity
II. Difficulty
III. Specificity
Which combination represents the correct features?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2005

46. Which defense mechanism occurs when an employee attributes their own faults to others, such as saying "It is her fault; she is selfish" instead of "I feel I am to blame"?
(A) Rationalisation
(B) Projecting
(C) Regression
(D) Displacement

Oct/Nov 2010

47. Consider the following statements about Job Enrichment:
I. A primary trait of job enrichment is autonomy, meaning employees have more responsibility to manage task details.
II. Job enrichment usually increases the layers of management to tightly monitor the enriched tasks.
Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2018

48. Match the motivation category in List I with its characteristic in List II.
List I: (Motivation Category)
P. Expressive
Q. Achievement
R. Social
S. Instrumental
List II: (Characteristic)
1. Interest for its own sake
2. In order to gain social acceptance
3. Desire to succeed, mastery represents something important

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system
(D) It leads to an increase in workload, causing unions to demand a pay-hike

May/June 2022

18. Which assumption belongs to Theory X?
(A) The average human being avoids accepting responsibility and prefers to be led
(B) Work is as natural as play, provided the work environment is favourable
(C) People can be self-directed and creative at work if they are motivated properly
(D) People have the capacity to exercise imagination and creativity

Oct/Nov 2008

19. In the context of the triggers of job satisfaction, what does the 'Exceeding the expectations' model predict?
(A) Satisfaction results from work outcomes relative to inputs compared with others
(B) Satisfaction is determined strictly by stable individual traits and genetics
(C) Satisfaction is based solely on the structural reinforcement of employee values
(D) Satisfaction results from met expectations and attaining outcomes above goals

May/June 2017

20. What is the fundamental difference between job enrichment and job enlargement?
(A) Enrichment involves vertical loading, while enlargement is horizontal expansion
(B) Enrichment involves horizontal expansion, while enlargement is vertical loading
(C) Enrichment expands the number of routine tasks to reduce individual controls
(D) Enrichment reduces personal accountability while increasing decision-making

Oct/Nov 2006

21. Which of the following is NOT considered a demerit of Job Enrichment?
(A) Increased cost of design and implementation
(B) Assumes that all workers want more responsibilities
(C) Empowerment as a by-product leading to more authority
(D) Difficulty in implementation due to resistance to change

May/June 2008

22. Which intrinsic motivation category is characterized by the desire to succeed and mastery representing something important?
(A) Expressive
(B) Achievement
(C) Social
(D) Instrumental

Oct/Nov 2019

23. Social psychological research indicates that providing extrinsic rewards for an activity that is already intrinsically rewarding can lead to which phenomenon?
(A) Immediate establishment of long-term bureaucratic orientation
(B) Continuous enhancement of expressive characteristics
(C) Permanent elimination of unconscious aggressive motives
(D) Overjustification and a subsequent reduction in intrinsic motivation

May/June 2014

24. Which of the following statements incorrectly reflects a step in the standard Checklist for Job Enrichment?
(A) Select those jobs where technical changes are possible without major expense
(B) Screen the list for hygiene suggestions and retain only ideas classed as motivators
(C) Anticipate an early decline in performance as workers get used to their new jobs
(D) Ensure maximum employee involvement in the initial design process

NODIA

Oct/Nov 2024

25. Which statement accurately reflects the principles of Goal-Setting Theory?
(A) Goals should be specified as getting the highest marks without a definite number
(B) An ideal goal minimizes the time between behavior initiation and the end state
(C) Goals should be extremely hard to complete to maximize motivation and effort
(D) Feedback is irrelevant as long as the goal difficulty is adjusted for the role

May/June 2011

26. Which of the following best defines job enrichment?
(A) The lateral transfer of employees among a number of different positions

77. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The ultimate goal of any training program is the successful transfer of learning, which occurs when the skills and knowledge acquired in a training context are effectively applied to the actual job. Without this transfer, the training has not achieved its intended purpose. Ensuring that employees can utilize what they have learned in real-world scenarios is essential for organizational development.

78. (D) Selecting Stimuli
Selecting stimuli is the stage of the perceptual process where an organization can influence which information individuals focus on. By highlighting a new manager's impressive portfolio and successful past projects during her introduction, the company is attempting to ensure that existing employees select and focus on these positive attributes. This helps in building a favorable first impression and shaping attitudes.

79. (A) I, II, and IV
The multi-stage concept of memory involves three systems: the sensory register, working memory, and long-term memory. The sensory register detects environmental stimuli and quickly discards extraneous information while transmitting relevant data to working memory for immediate action. Working memory does not ignore these inputs, especially during urgent situations like an alarm, but rather processes them to determine the appropriate response.

80. (A) I and II only
Self-concept theory includes three key factors: traits, competencies, and values. Traits are specific, enduring patterns of behavior that influence how others perceive an individual. Competencies involve an individual's understanding of their own skills, abilities, and knowledge within an organization. However, values are not determined by physical appearance; instead, they are reflected through an individual's consistent actions and verbal expressions over time.

81. (A) Guaranteeing the immediate elimination of all negative employee traits.
Coaching provides numerous benefits, such as helping employees feel valued, supported, and encouraged by their management. It allows staff to build new skills and advance their professional careers. However, coaching is a process of development and cannot guarantee the immediate elimination of all negative employee traits, as behavioral change often takes time, effort, and consistent reinforcement from both parties.

82. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Organizations often manage the introduction of new employees by highlighting their key skills and importance to the team to create a strong first impression. This is based on the principle that perceptions are often built around the positive information that is first selected and processed. By shaping these initial perceptions, companies can influence how individuals are viewed by colleagues.

83. (C) Assertion (A) is true, but Reason (R) is false.
In an open learning environment, the learner is given significant autonomy and unrestricted access to choose their goals, the sequence of their studies, and the level of their involvement. Conversely, distance learning is characterized by the physical separation of the instructor and the learner, often facilitated by technology. Therefore, claiming that distance learning involves human face-to-face interactions is conceptually incorrect.

84. (C) Building patterns of relationship in consciousness through anchored principles.
Meaningful learning is superior to rote learning because it involves building deep patterns of relationship in an individual's consciousness through anchored principles. By connecting new information to existing knowledge, students can grasp the underlying logic, making the learning more resistant to forgetting and easier to recall. Rote learning, which relies on simple repetition, is often superficial and more easily forgotten.

85. (A) III, V, IV, I, II
The perception process follows a specific sequence of five stages. It begins with receiving stimuli

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R. Congratulate
S. Contribute

List II: (Description)
1. Leaders must communicate a clear vision
2. People want to know their input matters
3. Leaders must show that they value employees
4. Leaders must convey feedback on good work

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-2, Q-3, R-1, S-4
(D) P-4, Q-2, R-3, S-1

May/June 2025

36. Researchers have identified principles that contribute to the success of an employee incentive program. Which of the following are included?

I. Allowing employees to participate in the design
II. Linking rewards directly to performance
III. Concealing the recognition process to maintain humility

Which combination is correct?
(A) I and II
(B) I and III
(C) II and III
(D) I, II, and III

Oct/Nov 2022

37. From a manager's viewpoint, what is the primary objective of motivation?
(A) To motivate people to behave in ways that are in the organisation's interest
(B) To identify unconscious feelings of aggression toward formal authority figures
(C) To ensure that every employee focuses solely on satisfying their social needs
(D) To eliminate the need for any structured career advancement opportunities now

May/June 2010

38. Match the term in List I with its core action in List II.

List I: (Term)
P. Job Enrichment
Q. Job Enlargement
R. Job Rotation
S. Employee Engagement

List II: (Core Action)
1. Emotional commitment to the organisation
2. Vertical loading of jobs to increase accountability
3. Horizontal expansion by adding more routine tasks
4. Lateral transfer among different positions

(A) P-2, Q-3, R-4, S-1
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2007

39. Consider the following statements:
I. Extrinsic motivation comes from outside of the performer, such as money, coercion, and threat of punishment.
II. Extrinsic rewards cannot be used in the training of animals, as they only respond to intrinsic drives.
Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2013

40. Match the motivational theorist in List I with their corresponding theory in List II.

List I: (Theorist)
P. Abraham Maslow
Q. Frederick Herzberg
R. Clayton Alderfer
S. Victor Vroom

List II: (Theory)
1. Two-Factor Theory
2. Expectancy Theory
3. ERG Theory
4. Need Hierarchy Theory

(A) P-4, Q-1, R-3, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2014

41. Consider the following statements regarding Job Satisfaction in professional environments:

I. Productivity and performance are closely linked with job satisfaction.
II. Misinformation and the "grapevine" are highly conducive to creating trust in management.
III. Disgruntled employees can cause a drop in overall employee morale.

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lazy and must be coerced to grow
(D) The elimination of the need for competence feedback and relatedness in the task

Oct/Nov 2018

9. Which of the following is an incorrect statement regarding the general rules of motivation?
(A) A half-finished project is of no use to anyone; developing the habit of finishing is essential
(B) Socializing with low-performers will develop a winning attitude due to contrasting behavior
(C) Failure and bouncing back are elements of motivation and act as a learning tool
(D) Harmonizing natural talent with interest creates motivation, which creates persistence

May/June 2024

10. Who proposed the theory comprising 16 basic desires that guide nearly all human behaviour?
(A) Frederick Herzberg
(B) Clayton Alderfer
(C) Steven Reiss
(D) Edward Deci

Oct/Nov 2005

11. Which of the following is NOT a recognized benefit of Job Enlargement?
(A) Increased Task Variety and diversification of assigned organizational duties
(B) Worker Paced Control over the speed and flow of the daily production process
(C) Meaningful Performance Feedback provided regularly by immediate supervisors
(D) Reduction of physical exertion through specialized self-propelled carriages

May/June 2012

12. How is job rotation defined?
(A) The vertical loading of responsibilities to grant an employee higher authority
(B) The removal of dullness associated with performing repetitive operations by extending working hours
(C) The lateral transfer of employees among a number of different positions and tasks within jobs
(D) The psychological process that gives behaviour purpose and direction

Oct/Nov 2021

13. What was a primary finding from the classic study at the Vauxhall Motors UK manufacturing plant?
(A) The concept of work orientation: instrumental, bureaucratic, and solidaristic
(B) The 16 basic desires that guide human behaviour in various social environments
(C) The Hawthorne Effect which emphasized formal work groups over informal networks
(D) The scientific management system basing motivation on extrinsic financial rewards

May/June 2005

14. How does the ERG Theory address the inability to satisfy a higher-order need?
(A) The individual will permanently remain at the higher-order need level until met
(B) Lower-level needs must be completely ignored until the higher-order need is met
(C) Frustration of a higher-order need leads to the desire for a lower-level need
(D) It replaces the hierarchy with a single, unvarying continuum of existence needs

Oct/Nov 2016

15. Which of the following is NOT one of the 16 basic desires proposed by Steven Reiss?
(A) Curiosity
(B) Tranquility
(C) Vengeance
(D) Hedonism

May/June 2015

16. How is motivation operationally defined in a general organisational context?
(A) The inner force driving individuals to accomplish personal and organizational goals
(B) The psychological features that arouse an organism to avoid perceived physical pain
(C) The external stimulus used to enforce strict compliance with departmental rules
(D) The lateral transfer of employees among different positions to reduce monotony

Oct/Nov 2011

17. Which of the following is an incorrect statement regarding the disadvantages of Job Enlargement?
(A) It guarantees a proportional and immediate increase in productivity
(B) It involves high training costs
(C) It requires redesigning the existing work

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4. In order to gain a tangible reward

(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2006

49. Which of the following pairs incorrectly matches a rule of motivation with its description?

(A) Socialize with high-performers – Support from low-performers makes you a winner
(B) Learn how to learn – Dependency on others supports procrastination
(C) Take risk – Failure is a learning tool
(D) Increase knowledge of subjects that inspire – A self-propelled upward spiral develops

May/June 2009

50. Match the limitation of Job Enrichment in List I with its consequence in List II.

List I: (Limitation)
P. Technology
Q. Cost
R. Attitude of managers/workers
S. Reaction of union leaders

List II: (Consequence)
1. Laziness to take on an enlarged role acts as a deterrent
2. May not support it fearing responsibility for loss of jobs
3. Specialized machinery makes it difficult to enrich jobs
4. Incremental expenditure may not be offset by returns

(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2018

51. Consider the following statements regarding experiments in job design involving work teams:

I. Traditional assembly lines were replaced by work teams of 15 to 20 people.
II. The work teams were required to wait for supervisor instructions before deciding on daily tasks.
III. Heavy manual work was reduced by providing specialized self-propelled carriages.

Which combination of statements is correct?

(A) I and II
(B) I and III
(C) II and III
(D) I, II, and III

May/June 2020

52. Arrange the levels of Maslow's Need Hierarchy in the correct sequential order from the most basic (lowest) to the most complex (highest):

I. Social
II. Self-actualization
III. Safety
IV. Physiological
V. Self-esteem

(A) IV, III, I, V, II
(B) III, IV, I, V, II
(C) IV, III, V, I, II
(D) IV, I, III, V, II

Oct/Nov 2012

53. Match the application of Maslow's Needs in Education in List I with the teacher's action in List II.

List I: (Level of Need)
P. Physiological
Q. Safety
R. Love & Belonging
S. Esteem

List II: (Teacher Action)
1. Providing fair discipline and consistent expectations
2. Allowing drink breaks and correct room temperatures
3. Providing deserved positions of status and recognition programs
4. Being supportive and exhibiting warmth towards members

(A) P-2, Q-3, R-1, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2022

54. Consider the following statements regarding the ERG Theory:

I. It demonstrates that more than one need may be operative at the same time.
II. It assumes a rigid hierarchy where a lower need must be substantially gratified before moving to a higher need.

Which of the above statements is/are correct?

(A) Only I
(B) Only II

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Reason (R): A satisfied employee might show up for work without complaint but will not necessarily use discretionary effort on behalf of the organisation's goals.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

91. Read the following scenario and answer the question that follows.

An employee constantly damages office equipment. While he claims it is accidental, a consultant suggests he harbours hidden feelings of aggression toward his supervisor. When confronted, the employee says, "The equipment is cheap and poorly made," explaining away his actions.

What concept explains the hidden feelings of aggression?

(A) Instrumental orientation
(B) Unconscious Motivation
(C) The Pygmalion Effect
(D) Goal-Setting Specificity

May/June 2006

92. Read the following scenario and answer the question that follows.

A branch manager treats a newly hired clerk as if they are the most talented employee in the branch. Feeling valued, the clerk works exceptionally hard to fulfill the manager's expectations.

This scenario is an example of which motivational phenomenon?

(A) The Hawthorne Effect
(B) The Overjustification Effect
(C) The Pygmalion Effect
(D) The Unconscious Defense Mechanism

Oct/Nov 2008

93. Read the following scenario and answer the question that follows.

A sales executive knows that if she makes 50 cold calls a day, she will likely close 5 deals. However, she does not believe that closing 5 deals will result in the promotion she desires because the company recently froze all promotions.

According to Vroom's Expectancy Theory, which relationship is broken in this scenario?

(A) Effort-performance relationship (Expectancy)
(B) Rewards-personal goal relationship (Valence)
(C) Effort-rewards relationship (Proximity)
(D) Performance-reward relationship (Instrumentality)

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May/June 2012

94. Read the following scenario and answer the question that follows.

An HR director launches a new engagement program. She ensures that leaders send immediate messages when subordinates do good work. She also creates opportunities for employees to manage the flow and pace of their daily tasks.

Which of the "Ten C's" of engagement is addressed by sending immediate messages for good work?

(A) Convey
(B) Clarity
(C) Congratulate
(D) Confidence

Oct/Nov 2005

95. Read the following scenario and answer the question that follows.

An automobile factory decides to remove the traditional assembly line. Instead, they form teams of 15 to 20 people in independent workshops. The workers use self-propelled carriages to reduce heavy manual work and are allowed to decide on the tasks each individual performs.

Which famous historical experiment in job design does this case mirror?

(A) Volvo's experiment in job design
(B) Hawthorne Studies in work groups
(C) Vauxhall Motors UK case studies
(D) Steven Kerr's reward study work

May/June 2024

96. Read the following scenario and answer the question that follows.

A sales executive believes that closing deals will not lead to a promotion due to a freeze. If the executive also believed that making 50 calls would NOT lead to closing 5 deals due to poor market conditions, which relationship would be weakened?

According to Vroom's Expectancy Theory, which

II. Needs are arranged in order of importance, from basic to complex.
III. A person advances to the next level only after the lower level need is at least minimally satisfied.
IV. The further the progress up the hierarchy, the more individuality and psychological health a person exhibits.
V. The model dictates that humans are inherently lazy.

Which combination of statements is correct?
(A) I, II, III, and V
(B) I, II, III, and IV
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2017

62. Assertion (A): Allowing sufficient freedom at the workplace and avoiding close supervision breeds dissatisfaction among the workforce.
Reason (R): Empirical studies reveal that close supervision often breeds dissatisfaction, and superiors should supervise in a way that motivates the employee.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

63. Which of the following represent recognized demerits of Job Enrichment?
I. Some employees may be unable or unwilling to take on additional responsibilities.
II. Unions may resist the process due to increased workload.
III. It guarantees immediate results for inattentive employees.
IV. Workers' participation may affect the enrichment process itself.

Which combination is correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

May/June 2014

64. Read the following scenario and answer the question that follows.
An IT firm redesigns a software developer's job. Instead of coding specific modules assigned daily by a supervisor, the developer is given a complete unit of work with a clear start and end point, and the autonomy to set deadlines and quality standards.
This redesign is an example of which concept?
(A) Job Rotation
(B) Job Enlargement
(C) Job Enrichment
(D) Work Simplification

Oct/Nov 2024

65. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): In the Two-Factor theory, an abundance of hygiene factors will significantly motivate employees and increase job satisfaction.
Reason (R): Hygiene factors, such as job security and salary, act as extrinsic factors to prevent employees' dissatisfaction but do not inherently motivate them if present.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

66. Read the following scenario and answer the question that follows.
A worker who previously only attached doors to cars is now assigned to also attach windows using the same tools. The number of tasks has increased but the skill level remains the same.
What is a common disadvantage the supervisor might face following this change?
(A) The job remains boring and routine, potentially leading to pay demands
(B) The worker experiences increased autonomy causing micromanagement to fail
(C) The worker will immediately transition to the self-actualization phase
(D) The company will save money as training

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costs are entirely non-existent

Oct/Nov 2009

67. Which of the following represent the assumptions of Theory X?
I. The average human being is inherently lazy by nature.
II. He/she avoids accepting responsibility.
III. He/she is highly ambitious and prefers to lead rather than be led.
IV. He/she is self-centered and indifferent to organisational needs.
Which combination is correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

May/June 2023

68. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Organisations use job enrichment as a way of boosting morale by freeing employees from strict micromanagement.
Reason (R): A primary trait of job enrichment is autonomy, meaning that the employee has more responsibility to manage their own work tasks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

69. Read the following scenario and answer the question that follows.
A manager notices that providing a small salary hike has stopped employees from complaining, but it has not led them to exert additional effort. To boost performance, the manager implements a recognition program that awards a "Star of the Week" title.
Which level of the Need Hierarchy is the manager targeting by implementing the "Star of the Week" program?
(A) Self-esteem needs
(B) Physiological needs
(C) Safety needs
(D) Self-actualization needs

May/June 2019

70. Which of the following are recognized benefits of Job Enlargement?
I. Task Variety
II. Meaningful Work Modules
III. Full Ability Utilization
IV. Worker Paced Control
V. Meaningful Performance Feedback
Which combination of statements is correct?
(A) I, II, III, and IV
(B) II, III, IV, and V
(C) I, III, IV, and V
(D) I, II, III, IV, and V

Oct/Nov 2017

71. Read the following scenario and answer the question that follows.
An employee in a consulting firm focuses on solving complex problems. However, if a different employee views their work strictly as a means to an end to secure money, which orientation to work does this represent?
(A) Instrumental
(B) Bureaucratic
(C) Solidaristic
(D) Expressive

May/June 2016

72. Which of the following are considered prerequisites to motivate others?
I. We have to be motivated ourselves to motivate others.
II. Motivation requires a clear goal.
III. Motivation requires recognition of progress.
IV. Seeing ourselves regress helps motivate us.
Which combination is correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

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Oct/Nov 2020

73. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Job rotation provides managers with a more flexible workforce and a ready supply of trained workers.

Reason (R): Job rotation enables the training of workers to be backups for other workers by allowing them to learn several different skills over specified time periods.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

74. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.

Assertion (A): A person may be accident-prone not because they are ignorant of safety rules, but due to an unconscious desire to hurt themselves.

Reason (R): Unconscious motivation refers to hidden and unknown desires that energise and direct a significant portion of human behaviour, sometimes overriding stated conscious motives.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

75. Read the following scenario and answer the question that follows.

A manufacturing supervisor decides that a worker who previously only attached doors to cars will now also attach windows. The worker uses the same tools and requires no additional skills, but the number of tasks has increased.

What motivational technique has the supervisor applied?

(A) Vertical loading
(B) Job Enrichment
(C) Scientific management
(D) Job Enlargement

May/June 2025

76. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.

Assertion (A): In the Two-Factor theory, an abundance of hygiene factors will significantly motivate employees and increase job satisfaction.

Reason (R): Hygiene factors, such as job security and salary, act as extrinsic factors to prevent employees' dissatisfaction but do not inherently motivate them if present.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

77. Read the following scenario and answer the question that follows.

A teacher in a primary school institutes emergency procedures and fair discipline. Later, she starts a peer tutoring program to develop trust and social bonds among group members.

Which level of need is being addressed by the peer tutoring program?

(A) Safety
(B) Physiological
(C) Respect from others
(D) Love & Belonging

May/June 2010

78. Which of the following are principles from the standard Checklist for Job Enrichment?

I. Select jobs where technical changes are possible without major expense.
II. Performance improvement is likely when motivation increases.
III. Screen the list for hygiene suggestions and retain only ideas classed as motivators.
IV. Avoid employee involvement in the initial design process.
V. Anticipate a permanent increase in performance from the very first day.

Which combination of statements is correct?

(A) I, II, III, and V
(B) I, II, III, and IV
(C) II, III, IV, and V
(D) I, III, IV, and V

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Oct/Nov 2007

79. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): In an industry where basic salary is uniform due to collective accords, money may be a less effective differentiator for individual job satisfaction.
Reason (R): When uniform wages exist across an industry, employees tend to seek the satisfaction of higher-order needs like status, recognition, and self-esteem.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

80. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): At higher levels of the need hierarchy, money is considered a far more powerful motivator than praise, respect, or empowerment.
Reason (R): Money generally operates at the lower levels of the hierarchy, and according to the Two-Factor model, its motivating effect on staff often lasts only for a short period.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

81. Read the following scenario and answer the question that follows.
An employee in a consulting firm focuses heavily on aligning their work with solving complex problems. When offered a cash bonus, they view the money merely as a way of "keeping score" rather than the actual reward for their achievement.
Whose perspective on motivation best explains this employee's attitude toward money?
(A) Frederick Winslow Taylor
(B) Douglas McGregor (Theory X)
(C) David McClelland
(D) Elton Mayo

NODIA

May/June 2008

82. Which of the following statements reflect the importance of employee motivation?
I. It creates a positive atmosphere in the organisation.
II. It nurtures happy and productive employees.
III. It ensures clients are happy.
IV. It achieves better results.
V. It requires more supervision.
Which combination of statements is correct?
(A) I, II, III, and V
(B) I, II, III, and IV
(C) I, III, IV, and V
(D) II, III, IV, and V

Oct/Nov 2019

83. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Providing extrinsic rewards, such as a ribbon or gold star, can lead to a subsequent reduction in intrinsic motivation.
Reason (R): Social psychological research indicates that extrinsic rewards can lead to overjustification, causing individuals to spend less time enjoying the intrinsic rewards of the activity.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

84. Read the following scenario and answer the question that follows.
A teacher in a primary school realizes that students are easily distracted. She institutes emergency procedures, fair discipline, and ensures lessons are carried out in an orderly fashion.
According to the application of the Need

Hierarchy in education, which need is the teacher primarily fulfilling?
(A) Love & Belonging
(B) Knowledge & Understanding
(C) Safety
(D) Aesthetic

Oct/Nov 2025

85. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Job enlargement means expanding the number of tasks assigned to a given job and requires completely new skills and abilities.
Reason (R): Job enlargement is a horizontal expansion where an employee takes on additional responsibilities that typically use existing skills.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

86. Which of the following factors generally influence job satisfaction?
I. Quality of Supervision
II. Relationships with Co-workers
III. Level of Education
IV. Extrinsic punishment
Which combination is correct?
(A) I, II, and III
(B) I, II, and IV
(C) II, III, and IV
(D) I, III, and IV

Oct/Nov 2014

87. Read the following scenario and answer the question that follows.
An IT firm gives a developer a complete unit of work with a clear start and end point, providing autonomy to set deadlines and quality standards.
What is a likely benefit of this approach?
(A) It adds layers of management to oversee the process and monitor production
(B) It gives employees personal accountability and minimizes management layers
(C) It prevents employees from making any decisions regarding their work flow
(D) It guarantees zero training costs for new recruits in technical departments

May/June 2009

88. Which of the following are recognized disadvantages of Job Rotation?
I. Significant time and effort are required to motivate employees for rotation.
II. Individuals take time to acquaint themselves with a new process and setup.
III. Constant rotation can lead to temporary stress and anxiety among employees.
IV. It may involve unproductive time during the training phases.
V. It always guarantees that employees learn every skill perfectly.
Which combination of statements is correct?
(A) I, II, III, and IV
(B) II, III, IV, and V
(C) I, II, IV, and V
(D) I, III, IV, and V

Oct/Nov 2023

89. Read the following scenario and answer the question that follows.
A manager notices that providing a small salary hike has stopped employees from complaining, but it has not led them to exert additional effort. To boost performance, the manager implements a recognition program that awards a "Star of the Week" title.
According to the Two-Factor Theory, what function did the salary hike serve?
(A) It acted as a Motivation Factor to increase job satisfaction
(B) It acted as a Hygiene Factor to prevent dissatisfaction
(C) It acted as a Social Factor to satisfy expressive needs
(D) It acted as an Instrumentality Factor to ensure high performance

May/June 2018

90. The following questions consist of two statements, one labelled as Assertion (A) and the other as Reason (R). Select the correct answer using the codes given below.
Assertion (A): Employee engagement means the same thing as employee satisfaction.

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ANSWERS

1. (D) Physiological and Safety needs
In Maslow's Need Hierarchy Theory, needs are categorized into lower and higher orders. Physiological and safety needs constitute the lower-order needs. These requirements are primarily satisfied externally through compensation, benefits, and job security. They form the foundation of the hierarchy and must be met before an individual can focus on social, esteem, or self-actualization needs within an organization.

2. (C) Managers and workers may show a lack of interest or plain laziness to take on an enlarged role
Job enrichment involves increasing a worker's responsibilities and autonomy. A significant limitation is that some managers and workers might resist these changes due to a lack of interest or simple laziness regarding the additional workload. Not all individuals desire more complex roles or accountability, and this psychological resistance can hinder the successful implementation of enrichment programs within a professional setting.

3. (C) The emotional commitment the employee has to the organisation and its goals
Employee engagement represents the emotional commitment an individual has toward their organization and its strategic objectives. This commitment means that engaged workers do not just work for a paycheck but truly care about their work and the company's success. It goes beyond simple job satisfaction and involves the use of discretionary effort to help the organization achieve its specific goals.

4. (C) Studies prove higher educated workers always show higher satisfaction levels
Determinants of job satisfaction include supervision quality, coworker relationships, and equitable pay. However, the assertion that higher education levels always lead to higher satisfaction is incorrect. Often, highly educated individuals have higher expectations that the job may not fulfill, potentially leading to lower satisfaction. Satisfaction is influenced more by the alignment of work values and actual job conditions than by education.

5. (B) Their presence prevents dissatisfaction but does not motivate if present
Herzberg's Two-Factor Theory identifies hygiene factors as extrinsic elements such as salary, company policy, and working conditions. These factors are essential to prevent dissatisfaction in the workplace. While their absence causes unhappiness, their presence does not inherently motivate employees to work harder. True motivation arises from intrinsic factors like achievement and recognition, which are distinct from these basic maintenance factors.

6. (B) Coercion
The Ten C's of employee engagement provide a framework for leaders to foster a committed workforce. Common elements include connection, clarity, congratulation, and contribution. Coercion is not part of this framework because it involves force or threats, which are detrimental to emotional commitment. Instead, engagement focuses on positive leadership behaviors that empower workers and align their personal goals with organizational success.

7. (B) The idea that people seek pleasure and comfort and try to avoid pain and discomfort
Hedonism is a psychological concept suggesting that human behavior is primarily driven by the pursuit of pleasure and the avoidance of pain. In the context of motivation, it implies that individuals are naturally inclined to seek out comfortable environments and rewarding experiences while shunning discomfort. Understanding this principle helps managers design incentive systems that maximize rewards and minimize negative experiences.

8. (B) A natural tendency toward growth that requires active environmental encouragement
Self-determination Theory posits that humans have an inherent tendency toward growth and development. However, this natural drive

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relationship would be weakened?
(A) Performance-reward relationship (Instrumentality)
(B) Effort-performance relationship (Expectancy)
(C) Rewards-personal goal relationship (Valence)
(D) Instrumentality-Valence relationship

Oct/Nov 2022

97. Read the following scenario and answer the question that follows.
An employee harbours hidden aggression toward a supervisor and damages equipment, but claims the equipment is "cheap and poorly made" to explain his actions.
Which defense mechanism is the employee using by "explaining away" the issue?
(A) Rationalisation
(B) Projecting
(C) Regression
(D) Repression

May/June 2021

98. Read the following scenario and answer the question that follows.
An automobile factory replaces the traditional assembly line with independent work teams and self-propelled carriages, allowing workers to decide on their own tasks.
What was the main aim of implementing this change?
(A) To increase the speed of the assembly line through scientific management
(B) To give dignity to workers as human beings and increase work autonomy
(C) To reduce salaries by eliminating supervisor roles
(D) To enforce Theory X assumptions

Oct/Nov 2016

99. Read the following scenario and answer the question that follows.
A manager treats a clerk as highly talented, causing the clerk to work hard. However, the manager sets a goal for the clerk to simply "do your best."
According to Goal-Setting Theory, why is "do your best" considered a poorly specified goal?
(A) It is too difficult to achieve for employees in this specific industry
(B) It relies on an autopilot approach that ignores external encouragement
(C) It provides too much feedback which can confuse the newly hired worker
(D) It lacks definition and specificity, providing no clear target to hit

May/June 2019

100. Read the following scenario and answer the question that follows.
An HR director ensures leaders send feedback for good work and allows employees to manage the flow and pace of their daily tasks.
Which of the "Ten C's" of engagement is addressed by allowing employees to manage the flow and pace of their tasks?
(A) Contribute
(B) Career
(C) Collaborate
(D) Control

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(C) Both I and II
(D) Neither I nor II

Oct/Nov 2021

55. Which pair correctly matches an ERG theory category with its corresponding needs from Maslow's hierarchy?
(A) Existence category – Physiological and Safety needs
(B) Growth category – Love and Belonging needs
(C) Relatedness category – Physiological and Safety needs
(D) Existence category – Self-actualization and Self-esteem needs

May/June 2012

56. What is required for situational motivation to be effective in an educational environment?
(A) The teacher must create environmental conditions that enhance motivation to learn
(B) The student must rely exclusively on an internal drive for achievement
(C) The administration must utilize strict punishments for incorrect responses
(D) The curriculum must only address physiological and safety needs

Oct/Nov 2005

57. Consider the following statements regarding the Self-determination Theory:
I. It was developed by Edward Deci and Richard Ryan.
II. It posits a natural tendency toward growth that operates entirely without environmental support.
III. It requires active encouragement through autonomy, competence feedback, and relatedness.
Which combination of statements is correct?
(A) I and II
(B) I and III
(C) II and III
(D) I, II, and III

May/June 2015

58. Match the basic desire in List I with its description in List II.
List I: (Basic Desire)
P. Curiosity
Q. Honor
R. Order
S. Saving
List II: (Description)
1. The need to collect
2. The need to think
3. The need for stable, predictable environments
4. The need to be loyal to traditional values
(A) P-2, Q-4, R-3, S-1
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2011

59. Consider the following statements:
I. Hedonism is the idea that people seek pleasure and comfort and try to avoid pain and discomfort.
II. In an organisational context, the primary objective of motivation is to allow employees to avoid discomfort at all costs.
Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2006

60. Match the trigger of Job Satisfaction in List I with its mechanism in List II.
List I: (Trigger)
P. Need Fulfillment
Q. Value Attainment
R. Equity & Justice
S. Dispositional/Genetic
List II: (Mechanism)
1. Job allows fulfillment of important work values
2. Based on stable individual traits
3. Fair treatment relative to inputs and outcomes
4. Extent to which job characteristics allow individual to fulfill needs
(A) P-2, Q-3, R-1, S-4
(B) P-4, Q-1, R-3, S-2
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2023

61. Which of the following statements are foundational to the Need Hierarchy Theory?
I. Only unsatisfied needs influence behaviour; satisfied needs do not.

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requires active support from the environment to flourish. Three psychological needs—autonomy, competence, and relatedness—must be satisfied for individuals to experience high levels of intrinsic motivation. Without environmental encouragement, these natural tendencies may remain dormant, hindering personal and professional development for employees.

9. (B) Socializing with low-performers will develop a winning attitude due to contrasting behavior
Motivation is fostered by finishing projects, viewing failure as a learning tool, and aligning talent with interest. The suggestion that socializing with low-performers builds a winning attitude is false. Behavioral patterns are often influenced by one's social circle. To maintain high motivation and a successful mindset, individuals should associate with high-performers who model productive behaviors and positive attitudes.

10. (C) Steven Reiss
Steven Reiss proposed a comprehensive theory of motivation based on sixteen basic desires that guide nearly all human behavior. These desires include curiosity, honor, and order, among others. Each individual has a unique profile based on the relative importance of these desires. Understanding these fundamental drivers allows for a more personalized approach to motivating people in various social and organizational environments.

11. (D) Reduction of physical exertion through specialized self-propelled carriages
Job enlargement focuses on horizontal expansion by adding more tasks to a job. Recognized benefits include increased task variety, worker-paced control, and meaningful performance feedback. The reduction of physical exertion through specialized self-propelled carriages is a specific technical intervention, often seen in work team designs like Volvo's, rather than a general benefit inherent to the concept of broadening task scope.

12. (C) The lateral transfer of employees among a number of different positions and tasks within jobs
Job rotation is the systematic and lateral transfer of employees among different positions and tasks within an organization. Its primary purpose is to reduce the monotony and boredom associated with repetitive work. By moving from one job to another, employees gain exposure to various aspects of the production process, which enhances their skills and provides the organization with a flexible workforce.

13. (A) The concept of work orientation: instrumental, bureaucratic, and solidaristic
The classic study at the Vauxhall Motors manufacturing plant in the UK identified three distinct work orientations: instrumental, bureaucratic, and solidaristic. This research highlighted that workers bring different attitudes and goals to their jobs. Some view work purely as a means to earn money, while others seek social connection or career advancement, demonstrating that motivation is influenced by individual orientations.

14. (C) Frustration of a higher-order need leads to the desire for a lower-level need
Clayton Alderfer's ERG Theory includes a frustration-regression component. This principle states that if an individual is unable to satisfy a higher-order need, such as growth, they will experience frustration. This frustration leads them to regress and seek further satisfaction in a lower-level need, like relatedness or existence. This distinguishes it from Maslow's model, which assumes a strictly upward progression.

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15. (D) Hedonism
Steven Reiss identified sixteen basic desires, including curiosity, tranquility, and vengeance, which influence human behavior. While hedonism is a general psychological concept related to seeking pleasure, it is not listed as one of the specific sixteen desires in Reiss's framework. Reiss's model breaks down human motivation into more granular and specific categories that can be measured and analyzed individually.

16. (A) The inner force driving individuals to accomplish personal and organizational goals
In an organizational context, motivation is operationally defined as the inner psychological force that drives individuals to accomplish personal and organizational goals. It gives behavior purpose and direction, influencing the intensity and persistence of effort. Managers aim to harness this internal drive to ensure that

employee actions align with the broader interests and strategic objectives of the entire company.

17. (A) It guarantees a proportional and immediate increase in productivity
Job enlargement involves horizontal task expansion, which often leads to high training costs and the need for system redesign. It can also cause union resistance due to increased workloads. However, it does not guarantee a proportional or immediate increase in productivity. In fact, productivity might initially decline as workers adjust to additional tasks and requirements without a change in skill level.

18. (A) The average human being avoids accepting responsibility and prefers to be led
Douglas McGregor's Theory X assumes that the average human being possesses an inherent dislike for work and will avoid it if possible. Because of this, people must be coerced, controlled, or threatened with punishment to achieve organizational goals. It further posits that most people prefer to be led, want to avoid responsibility, and prioritize job security above all other factors.

19. (D) Satisfaction results from met expectations and attaining outcomes above goals
The 'Exceeding the expectations' model predicts that job satisfaction occurs when an individual's expectations are met and they attain outcomes that surpass their initial goals. This perspective focuses on the gap between what an employee expects to receive and what they actually experience. When the reality of the work environment exceeds these anticipated benchmarks, the resulting positive discrepancy boosts satisfaction.

20. (A) Enrichment involves vertical loading, while enlargement is horizontal expansion
Job enrichment and job enlargement are distinct methods of job design. Enrichment involves vertical loading, which adds depth to a job by increasing autonomy, responsibility, and control. In contrast, enlargement is the horizontal expansion of a job, which increases the breadth by adding more tasks at the same skill level. Enrichment aims at higher-level needs, while enlargement primarily addresses boredom.

21. (C) Empowerment as a by-product leading to more authority
Job enrichment has several recognized demerits, including high implementation costs, potential resistance to change, and the false assumption that all workers want more responsibility. However, empowerment and increased authority are generally considered positive outcomes or objectives of enrichment programs rather than demerits. These features are intended to boost motivation and morale by giving employees more control over their daily work.

22. (B) Achievement
The achievement category of intrinsic motivation is characterized by an individual's strong desire to succeed and master tasks. In this context, mastery represents something personally important to the individual. These people are motivated by the challenge of the task itself and the satisfaction of reaching a high standard of excellence, regardless of external rewards like money or social approval.

23. (D) Overjustification and a subsequent reduction in intrinsic motivation
Social psychological research shows that providing extrinsic rewards for an activity that is already intrinsically rewarding can lead to the overjustification effect. This phenomenon occurs when individuals start to view the reward as the primary reason for their behavior. Consequently, their internal interest in the task decreases, and they may spend less time on the activity once rewards are removed.

24. (D) Ensure maximum employee involvement in the initial design process
Standard checklists for job enrichment suggest selecting jobs where changes are technically feasible and screening for motivators rather than hygiene factors. They also advise anticipating an initial performance decline. However, ensuring maximum employee involvement in the initial design phase is often listed as something to avoid in certain classic models, as it might compromise the objective identification of true motivators.

25. (B) An ideal goal minimizes the time between behavior initiation and the end state
Goal-Setting Theory emphasizes that specific and challenging goals lead to higher performance. An ideal goal minimizes the time between the

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initiation of behavior and the achievement of the end state. This proximity helps maintain focus and motivation. Furthermore, goals must be clear rather than vague, and feedback is essential to track progress and adjust effort toward the desired outcome.

26. (D) The attempt to build into jobs a higher sense of challenge and achievement
Job enrichment is a job design technique that attempts to build a higher sense of challenge and achievement into a role. It involves vertical loading, giving employees more autonomy, responsibility, and control over how they perform their tasks. By making the work itself more meaningful and rewarding, organizations aim to satisfy higher-order needs and boost long-term employee motivation and satisfaction.

27. (A) It requires greater supervision
Employee motivation is vital because it creates a positive atmosphere, nurtures productive workers, and ensures client satisfaction, leading to better overall results. One of the main benefits of a motivated workforce is that it actually requires less supervision, not more. Motivated employees are self-directed and take initiative, allowing managers to focus on strategic planning rather than constant monitoring of tasks.

28. (A) Hoppock (1935)
Hoppock, in 1935, defined job satisfaction as any combination of psychological, physiological, and environmental circumstances that cause a person to honestly say they are satisfied with their job. This early definition highlights that satisfaction is a complex, subjective state influenced by various internal and external factors. It laid the groundwork for future research into how workplace conditions affect employee well-being.

29. (C) Engagement is strictly tied to macro-economic conditions rather than work
Research on employee engagement indicates that a minority of employees are actively engaged, while the majority are either not engaged or actively disengaged. The claim that engagement is strictly tied to macro-economic conditions rather than the work itself is incorrect. Engagement is primarily influenced by internal organizational factors, leadership quality, and the nature of the work, regardless of external economic trends.

30. (D) Instrumentality
In Victor Vroom's Expectancy Theory, instrumentality is the belief that performing at a specific level will lead to a desired outcome or reward. It represents the link between performance and rewards. For motivation to be high, an individual must perceive that their successful efforts will be recognized and rewarded appropriately by the organization according to a predictable and fair system.

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31. (B) II, I, III
Vroom's Expectancy Theory follows a specific sequential linkage. First is the effort-performance relationship, where an individual believes effort leads to performance. Second is the performance-reward relationship, where performance is expected to lead to specific organizational rewards. Finally, the rewards-personal goal relationship evaluates how well these rewards satisfy individual needs, completing the cycle from initial effort to ultimate personal satisfaction.

32. (B) Status – Motivation factor
In Herzberg's Two-Factor Theory, status is classified as a hygiene factor, not a motivation factor. Hygiene factors like job security, salary, and status prevent dissatisfaction but do not drive long-term motivation. In contrast, factors like challenging work and recognition are true motivators because they relate to the content of the work and provide intrinsic satisfaction to the employee when present.

33. (B) Positive manager expectations lead to positive results and employee effort
The Pygmalion Effect, or the self-fulfilling prophecy, suggests that a manager's high expectations of an employee can actually lead to that employee's improved performance. When a leader believes in a subordinate's potential, they treat them in ways that boost their confidence and effort. Consequently, the employee works harder to meet those positive expectations, resulting in superior performance and growth.

34. (A) Only I
Job rotation is beneficial because it creates a more flexible workforce by training employees as backups for various roles. However, the claim that it eliminates all stress and anxiety is incorrect.

Constant changes and the need to learn new tasks frequently can actually cause temporary stress and anxiety as individuals adjust to unfamiliar processes and different working environments or groups.

35. (A) P-3, Q-1, R-4, S-2
The Ten C's of employee engagement involve specific leadership actions. "Connect" means leaders must show they value employees. "Clarity" requires communicating a clear vision for the future. "Congratulate" involves providing feedback on good work to recognize achievements. "Contribute" focuses on ensuring people know their input matters. These elements work together to build emotional commitment and drive high performance within the organization.

36. (A) I and II
Effective employee incentive programs are designed by allowing workers to participate in the process and by linking rewards directly to performance. These principles ensure that the program is perceived as fair and relevant. Concealing the recognition process is generally counterproductive, as public recognition often serves as a powerful motivator and reinforces desired behaviors among the entire workforce in the organization.

37. (A) To motivate people to behave in ways that are in the organisation's interest
From a management perspective, the primary goal of motivation is to influence employee behavior so that it aligns with the organization's interests and objectives. Managers use various theories and techniques to encourage workers to perform at high levels, cooperate with colleagues, and remain committed to the company's success. This ensures that individual effort effectively contributes to reaching organizational targets.

38. (A) P-2, Q-3, R-4, S-1
Job enrichment involves vertical loading to increase accountability. Job enlargement is the horizontal expansion through additional routine tasks. Job rotation refers to lateral transfers among different positions to reduce boredom. Employee engagement is the emotional commitment an individual feels toward the organization. These concepts represent different strategies used by management to improve employee performance, satisfaction, and long-term commitment in the workplace.

39. (A) Only I
Extrinsic motivation comes from external sources like money, praise, or the threat of punishment. It is highly effective for directing behavior toward specific outcomes. The claim that extrinsic rewards cannot be used to train animals is false; animal training relies heavily on extrinsic reinforcers like food. In humans, while extrinsic factors are powerful, they often have a shorter-term impact than intrinsic ones.

40. (A) P-4, Q-1, R-3, S-2
Several theorists have shaped our understanding of motivation. Abraham Maslow developed the Need Hierarchy Theory. Frederick Herzberg proposed the Two-Factor Theory, focusing on hygiene and motivation factors. Clayton Alderfer created the ERG Theory, which simplifies Maslow's hierarchy. Victor Vroom introduced the Expectancy Theory, emphasizing the links between effort, performance, and rewards in the professional work environment.

41. (C) I and III
Job satisfaction is closely linked to productivity and performance. Furthermore, disgruntled employees can significantly lower the overall morale within a workplace. However, the idea that misinformation and the "grapevine" help create trust in management is incorrect. Transparent communication and honest leadership are actually necessary to build trust, whereas rumors and unofficial channels typically foster suspicion and reduce satisfaction.

42. (C) Enhanced work environments, autonomy, recognition, and social status
In industries where basic needs like salary are standardized through collective agreements, money loses its power as a differentiator for job satisfaction. In such cases, employees prioritize higher-order needs. Factors such as improved work environments, greater autonomy, public recognition, and social status become the primary drivers of satisfaction. Managers must focus on these intrinsic and social elements to keep staff motivated.

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43. (B) Full Ability Utilization
Job enlargement aims for full ability utilization by expanding the number of tasks a worker performs at the same skill level. This horizontal expansion helps reduce boredom. Vertical loading and increased personal accountability are characteristics of job enrichment, not enlargement. Enrichment focuses on depth and autonomy, while enlargement focuses on breadth and variety within the existing scope of the employee's technical skills.

44. (A) P-2, Q-3, R-4, S-1
Frederick Taylor believed motivation is primarily determined by economic rewards. David McClelland emphasized aligning work with fundamental motivations like achievement. Elton Mayo highlighted the importance of informal work groups and the Hawthorne Effect. Successful incentive programs involve employee participation and direct links between rewards and performance. Together, these perspectives illustrate the evolution of motivational theory from purely economic to complex social factors.

45. (D) I, II, and III
According to Goal-Setting Theory, the efficiency of a goal is influenced by three main features: proximity, difficulty, and specificity. Proximity refers to how soon the goal can be reached. Difficulty ensures the goal is challenging enough to inspire effort. Specificity provides a clear, unambiguous target. When these features are combined with regular feedback, they maximize individual performance and motivation levels.

46. (B) Projecting
Projecting is a defense mechanism where individuals attribute their own unacceptable thoughts, feelings, or faults to other people. For example, instead of admitting they are selfish, an employee might claim that a colleague is the selfish one. This process allows the individual to avoid facing their own shortcomings by focusing on the perceived flaws of others in the work environment.

47. (A) Only I
A primary trait of job enrichment is autonomy, which grants employees more responsibility to manage the details of their tasks. This vertical loading is intended to reduce micromanagement. The claim that enrichment increases layers of management is incorrect. In fact, effective enrichment often minimizes management layers because employees take on more self-regulatory and supervisory responsibilities themselves within their roles.

48. (B) P-1, Q-3, R-2, S-4
Intrinsic motivation categories include expressive, which involves interest for its own sake, and achievement, which is the desire to succeed at something important. Social motivation is driven by the need for social acceptance and belonging. Instrumental motivation occurs when an individual performs an activity specifically to gain a tangible reward, such as money, rather than for the task's inherent value.

49. (A) Socialize with high-performers – Support from low-performers makes you a winner
A key rule of motivation is to socialize with high-performers because their positive attitudes and habits are contagious. The description suggesting that support from low-performers makes you a winner is incorrect. Associating with low-performers can actually hinder progress and pull an individual down. Learning how to learn, taking risks, and increasing knowledge are all valid ways to build and sustain motivation.

50. (C) P-3, Q-4, R-1, S-2
Job enrichment faces several limitations. Technology and specialized machinery can make enriching tasks difficult. The cost of implementation might not be offset by immediate returns. Some managers and workers may lack the interest to take on enlarged roles. Additionally, union leaders might resist enrichment if they fear it could lead to increased workloads or potential job losses for members.

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51. (B) I and III
In innovative job design experiments, traditional assembly lines were replaced by independent work teams of 15 to 20 people. To assist these teams, specialized self-propelled carriages were provided to reduce heavy manual labor. Crucially, these teams were given the autonomy to decide on their own daily tasks and work flow, rather than being forced to wait for supervisor instructions.

employees are responsible for their own outcomes, the need for multiple layers of management to monitor every detail is minimized, leading to a more efficient and empowered organization.

88. (A) I, II, III, and IV
Job rotation has several disadvantages, including the time needed to motivate employees, the period required for workers to acquaint themselves with new setups, and the potential for temporary stress. It also involves unproductive time during training. However, the claim that it always guarantees perfect skill mastery is false; rotation provides exposure, but the depth of mastery varies by individual and time.

89. (B) It acted as a Hygiene Factor to prevent dissatisfaction
According to Herzberg's Two-Factor Theory, salary is classified as a hygiene factor. In this scenario, the salary hike served to stop employees from complaining, which means it successfully prevented dissatisfaction. However, as a hygiene factor, it did not provide the intrinsic motivation required for employees to exert additional effort. Motivation factors, like recognition, must be used to actually boost performance and engagement.

90. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that engagement and satisfaction are the same is false; they are distinct concepts. A satisfied employee might be happy but not use discretionary effort. The reason is true as it correctly points out that satisfaction does not guarantee a commitment to the organization's goals. True engagement involves an emotional commitment that goes beyond simple contentment with one's current workplace conditions.

91. (B) Unconscious Motivation
Unconscious motivation refers to the hidden and unknown desires that can energize and direct human behavior without the individual's full awareness. In this scenario, the suggestion that the employee harbours hidden aggression toward his supervisor despite his conscious claims of accidents illustrates this concept. These underlying motives can sometimes manifest in destructive actions that the individual later tries to rationalize.

92. (C) The Pygmalion Effect
This scenario illustrates the Pygmalion Effect, where high expectations from a manager lead to improved employee performance. By treating the new clerk as a talented individual, the manager creates a self-fulfilling prophecy. The clerk, feeling valued and capable, works harder to live up to that positive image. This demonstrates how leadership attitudes can directly influence the motivation and output of staff.

93. (D) Performance-reward relationship (Instrumentality)
In this case, the performance-reward relationship, or instrumentality, is broken. The executive believes she can achieve the performance (closing 5 deals), but she does not believe that this performance will lead to the desired reward (promotion) because of the company's freeze. For motivation to exist, the employee must believe that there is a reliable link between their success and the rewards.

94. (C) Congratulate
Sending immediate messages to subordinates for good work directly addresses the "Congratulate" element of the Ten C's of employee engagement. Leaders must ensure they provide frequent and timely feedback to recognize achievements. This public or private praise reinforces positive behavior and makes employees feel valued, which is essential for maintaining high levels of emotional commitment and motivation within the firm.

95. (A) Volvo's experiment in job design
This case mirrors the famous experiment at Volvo's Kalmar and Skovde plants in Sweden. Volvo replaced traditional, monotonous assembly lines with independent work teams and specialized self-propelled carriages. This redesign aimed to give workers more dignity, autonomy, and a sense of ownership over their work. It remains a landmark study in how innovative job design can improve the quality of work life.

96. (B) Effort-performance relationship (Expectancy)
If the executive believes that her effort (making 50 calls) will not lead to the desired performance (closing 5 deals) due to external factors like market conditions, the effort-performance relationship is weakened. In Vroom's theory,

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61. (B) I, II, III, and IV
Maslow's theory assumes that only unsatisfied needs influence behavior and that needs are arranged from basic to complex. Progress depends on lower-level satisfaction, and higher progress leads to greater psychological health. However, the theory does not dictate that humans are inherently lazy; that is an assumption of Theory X. Maslow's model actually suggests a natural human drive toward growth.

62. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that avoiding close supervision breeds dissatisfaction is false; research shows that close supervision is actually what typically causes dissatisfaction among modern workers. The reason correctly states that empirical studies highlight how micromanagement breeds unhappiness. Therefore, supervisors should adopt a more supportive and empowering style to motivate employees rather than exerting tight, restrictive control over their daily tasks.

63. (B) I, II, and IV
Demerits of job enrichment include the reality that some employees are unable or unwilling to take on more responsibility and that unions may resist the increased workload. Additionally, worker participation can sometimes negatively affect the process itself. However, it does not guarantee immediate results for inattentive employees; enrichment requires active engagement and effort from the worker to be successful.

64. (C) Job Enrichment
Giving a developer a complete unit of work with clear start and end points, along with the autonomy to set deadlines and quality standards, is a classic example of job enrichment. This approach uses vertical loading to increase the depth of the job. By providing more responsibility and control, the firm aims to boost the employee's motivation through higher-order need satisfaction.

65. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that an abundance of hygiene factors will significantly motivate employees is false according to Herzberg's theory. Hygiene factors only prevent dissatisfaction. The reason is true because it correctly identifies factors like salary and security as extrinsic elements that do not inherently motivate. To achieve true motivation, a manager must focus on intrinsic factors such as achievement, recognition, and growth.

66. (A) The job remains boring and routine, potentially leading to pay demands
When a worker's tasks are increased without a change in skill level or autonomy, it is known as job enlargement. A common disadvantage is that the work remains boring and routine. Because the workload has increased without making the job more meaningful or rewarding, employees may become frustrated and unions may demand pay hikes to compensate for the additional effort.

67. (B) I, II, and IV
Theory X assumes that the average human is inherently lazy, avoids accepting responsibility, and is self-centered and indifferent to organizational needs. The suggestion that they are highly ambitious and prefer to lead is incorrect; Theory X actually posits that most people lack ambition and prefer to be directed by others to avoid the burdens of decision-making and accountability.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Organizations use job enrichment to boost morale by moving away from micromanagement. This is possible because a primary trait of enrichment is autonomy, which gives employees more responsibility to manage their own tasks. Since the reason accurately describes the mechanism (autonomy) through which the assertion (boosting morale) is achieved, both are true and the reason provides the correct explanation.

69. (A) Self-esteem needs
Implementing a "Star of the Week" program targets self-esteem needs. These needs involve the desire for strength, achievement, adequacy, and confidence, as well as the desire for reputation, status, and recognition from others. By publicly awarding a title for good performance, the manager provides the recognition and status that help satisfy these higher-order psychological requirements for the employees.

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70. (D) I, II, III, IV, and V
Job enlargement offers multiple benefits, including increased task variety and the creation of more meaningful work modules. It promotes full ability utilization and can allow for worker-paced control over the flow of production. Additionally, it provides opportunities for meaningful performance feedback. Together, these factors help reduce the boredom associated with highly specialized and repetitive jobs in various industries.

71. (A) Instrumental
An instrumental orientation to work occurs when an individual views their job primarily as a means to an end, specifically to secure money or other extrinsic rewards. The work itself is not a central part of their life or identity. Instead, they perform their duties to fund their life outside of the organization, prioritizing financial gain over social connection or personal growth.

72. (A) I, II, and III
To motivate others effectively, a leader must first be motivated themselves. Motivation also requires a clear goal to provide direction and the recognition of progress to maintain momentum. Seeing oneself regress is not a prerequisite for motivation; in fact, visible progress is far more likely to sustain effort and encourage individuals to continue working toward their established objectives.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Job rotation provides managers with a flexible workforce because it trains employees to serve as backups for various roles. This is achieved by allowing workers to learn multiple different skills as they move between positions over time. The reason accurately explains how the practice of rotation directly creates the benefit of flexibility mentioned in the assertion, making both statements true.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
A person may be accident-prone due to an unconscious desire to hurt themselves, illustrating how hidden motives can drive behavior. The reason correctly defines unconscious motivation as unknown desires that energize behavior, sometimes overriding conscious intent. Since this definition provides the underlying psychological mechanism for the behavior described in the assertion, both are true and the reason explains the assertion.

75. (D) Job Enlargement
When a supervisor increases the number of tasks an employee performs without requiring additional skills or granting more autonomy, they are practicing job enlargement. This horizontal expansion aims to reduce boredom by adding variety to the work day. It differs from job enrichment, which involves vertical loading, and from scientific management, which usually focuses on extreme task specialization and simplification.

76. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that hygiene factors will significantly motivate employees is false; Herzberg's theory clearly states that these extrinsic factors only serve to prevent dissatisfaction. The reason is true because it correctly identifies salary and security as maintenance factors that do not inherently drive motivation. To foster true engagement, managers must look toward motivators like achievement, recognition, and the work itself.

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77. (D) Love & Belonging
A peer tutoring program that aims to develop trust and social bonds among group members addresses the love and belonging needs in Maslow's hierarchy. These social needs involve the desire for meaningful relationships, acceptance, and a sense of community. By fostering a supportive and collaborative environment, the teacher helps students satisfy their psychological requirement for connection and social interaction.

78. (B) I, II, III, and IV
The checklist for job enrichment suggests selecting technically feasible jobs, focusing on motivators rather than hygiene factors, and understanding that performance improvement follows increased motivation. Interestingly, some classic checklists also advised avoiding initial employee involvement to maintain objectivity in design. However, anticipating a permanent, immediate increase in performance is incorrect,

as an initial decline is often expected during the transition.

79. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In industries with uniform wages, money is a less effective differentiator for individual satisfaction. This is because, once basic financial needs are met equally across the board, employees naturally begin to seek the fulfillment of higher-order needs such as status and recognition. The reason explains why the assertion is true by identifying the shift in focus toward non-monetary psychological rewards.

80. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that money is a more powerful motivator than respect at higher levels of the hierarchy is false. At those levels, intrinsic rewards like praise and empowerment are usually more effective. The reason is true, stating that money operates at lower levels and its motivating effect is often short-lived according to the Two-Factor model. Thus, the reason correctly refutes the assertion.

81. (C) David McClelland
David McClelland's perspective on motivation explains why high achievers might view money merely as a way of "keeping score" rather than a primary reward. For individuals with a high need for achievement, the actual reward is the successful completion of a challenging task and the sense of mastery. Money serves as a tangible measure of their success rather than the motive.

82. (B) I, II, III, and IV
Employee motivation is important because it creates a positive atmosphere, nurtures productive staff, ensures happy clients, and achieves better overall results. The idea that it requires more supervision is incorrect; one of the primary advantages of a motivated workforce is that it requires less direct supervision. Motivated employees are more self-reliant, which allows managers to focus on higher-level strategic tasks.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Providing extrinsic rewards can indeed reduce intrinsic motivation. This is explained by the overjustification effect, where the external reward overshadows the internal interest in the activity. Individuals begin to attribute their behavior to the reward rather than their own enjoyment. The reason provides the correct psychological explanation for why the assertion occurs, making both statements true and logically linked together.

84. (C) Safety
By instituting emergency procedures, fair discipline, and ensuring an orderly fashion for lessons, the teacher is primarily fulfilling the safety needs of the students. In Maslow's hierarchy, safety involves protection from physical harm and the presence of a predictable, structured environment. Once students feel safe and secure, they are better able to progress toward higher-order needs like belonging and learning.

85. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that job enlargement requires completely new skills is false; it actually involves adding more tasks that typically use an employee's existing skill set. The reason is true because it correctly defines enlargement as a horizontal expansion of responsibilities within the same skill level. Because the assertion mischaracterizes the skill requirement of the concept, it is considered a false statement.

86. (A) I, II, and III
Job satisfaction is generally influenced by the quality of supervision, the nature of relationships with co-workers, and an individual's level of education. While extrinsic factors are important, the threat of punishment is generally not considered a positive factor for satisfaction. Instead, positive reinforcement and supportive environments are the key drivers that lead to a person saying they are satisfied with their work.

87. (B) It gives employees personal accountability and minimizes management layers
Giving employees a complete unit of work and the autonomy to set their own standards is a form of job enrichment. A major benefit of this approach is that it fosters personal accountability. Because

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52. (A) IV, III, I, V, II
Maslow's Need Hierarchy Theory organizes human needs into five levels. The sequence starts with physiological needs at the base, followed by safety, social (love and belonging), and self-esteem needs. The hierarchy culminates in self-actualization at the highest level. Individuals typically strive to satisfy these needs in this specific order, moving upward as each lower-level requirement is substantially met.

53. (B) P-2, Q-1, R-4, S-3
In education, Maslow's needs are addressed through specific actions. Physiological needs are met by allowing breaks and comfortable temperatures. Safety is ensured through fair discipline and consistent expectations. Love and belonging are fostered by warmth and support. Finally, esteem is built by providing recognized positions of status and programs that celebrate achievement. These steps create an environment conducive to learning.

54. (A) Only I
Clayton Alderfer's ERG Theory suggests that more than one need may be operative at the same time. This is a departure from Maslow's model. The claim that it assumes a rigid hierarchy is incorrect. ERG Theory is more flexible, allowing for the simultaneous pursuit of different needs and acknowledging that individuals can regress to lower levels if higher ones are frustrated.

55. (A) Existence category – Physiological and Safety needs
The ERG Theory collapses Maslow's five levels into three categories: Existence, Relatedness, and Growth. The Existence category corresponds to Maslow's physiological and safety needs, focusing on basic survival and security. Relatedness matches social and external esteem needs, while Growth aligns with internal esteem and self-actualization. This refinement provides a more flexible approach to understanding human motivation in organizations.

56. (A) The teacher must create environmental conditions that enhance motivation to learn
For situational motivation to be effective in an educational setting, the teacher must actively create environmental conditions that enhance a student's desire to learn. This involves structuring the classroom, curriculum, and interactions in ways that trigger interest and engagement. While internal drives are important, the external environment plays a crucial role in stimulating and sustaining the motivation required for academic success.

57. (B) I and III
Self-determination Theory, developed by Edward Deci and Richard Ryan, posits that people have a natural tendency toward growth. However, the claim that this operates without environmental support is false. The theory emphasizes that active encouragement through autonomy, competence feedback, and relatedness is essential. These environmental factors provide the necessary nutrients for an individual's intrinsic motivation and psychological health to flourish.

58. (A) P-2, Q-4, R-3, S-1
Steven Reiss identified sixteen basic desires with unique descriptions. Curiosity is the need to think and learn. Honor represents the need to be loyal to traditional values. Order is the requirement for stable and predictable environments. Saving is characterized by the need to collect things. Recognizing these individual drivers helps in tailoring motivational strategies to suit different personality profiles in various settings.

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59. (A) Only I
Hedonism is the psychological idea that individuals seek pleasure and comfort while avoiding pain and discomfort. However, in an organizational context, the primary objective of motivation is not simply to help employees avoid discomfort at all costs. Instead, it is to direct their behavior in ways that serve the organization's interests, often by balancing rewards with necessary challenges and responsibilities.

60. (B) P-4, Q-1, R-3, S-2
Job satisfaction is triggered by several mechanisms. Need fulfillment refers to how job characteristics meet individual needs. Value attainment occurs when a job aligns with important work values. Equity and justice involve fair treatment regarding inputs and outcomes. Dispositional triggers are based on stable individual traits. Understanding these triggers allows managers to implement specific changes that effectively boost employee satisfaction levels.

this is known as expectancy. When an individual feels that their hard work will not actually result in successful task completion, their motivation to try decreases significantly.

97. (A) Rationalisation
Rationalisation is a defense mechanism where an individual provides plausible but false reasons to explain and justify their behavior or failures. By claiming the equipment is "cheap and poorly made," the employee is explaining away his actions to avoid facing the true underlying cause, which is his hidden aggression. This allows the person to maintain their self-esteem and avoid guilt.

98. (B) To give dignity to workers as human beings and increase work autonomy
The primary aim of replacing assembly lines with work teams and self-propelled carriages was to give dignity to workers as human beings. This approach focuses on increasing work autonomy and allowing employees to have more control over their environment and tasks. It represents a shift away from rigid, scientific management toward a more human-centered design that values employee input and responsibility.

99. (D) It lacks definition and specificity, providing no clear target to hit
According to Goal-Setting Theory, a goal like "do your best" is ineffective because it lacks definition and specificity. Without a clear, measurable target, the employee has no specific benchmark to hit or a way to track their progress accurately. Effective goals should be precise, such as "increase sales by ten percent," to provide the necessary direction and focus for effort.

100. (D) Control
Allowing employees to manage the flow and pace of their daily tasks addresses the "Control" element of the Ten C's of employee engagement. Engaged employees value having a say in their work and the ability to influence their own environment. When leaders provide this level of autonomy, it builds trust and allows workers to take greater ownership of their individual performance.

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CHAPTER 13
Employee Development

Oct/Nov 2010

1. Which of the following statements regarding the objectives of 'Training' is incorrect?
(A) Training effectively removes performance deficiencies among staff.
(B) Training enhances employee stability and improves corporate image.
(C) Training prepares people for jobs of significantly higher responsibility.
(D) Training is designed to make people unaware of production needs.

May/June 2005

2. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Training and development have become increasingly vital, with people seeking holistic development of the self alongside their jobs.
Reason (R): Money is the sole motivator at work for employees in the 21st century, making financial incentives the only driver for pursuing training.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

3. Employee development encompasses upskilling employees to take up new roles and preparing them to face future challenges. Which of the following is NOT explicitly listed as a method of employee development?
(A) Professional mentoring programs
(B) Structured job rotation schemes
(C) Mandatory administrative transfers
(D) Simulation-based exercises

May/June 2018

4. Match the following distinguishing parameters from List I to their correct associations in List II.
List I: (Parameter)
P. Formal education prerequisite
Q. Target orientation
R. Dependency driver
S. Output aim
List II: (Association)
1. Overall personal effectiveness
2. Presumed in Training
3. Personal drive and ambition
4. Improving job related efficiency
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-2, Q-4, R-3, S-1
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2016

5. Consider the following statements regarding the impacts of training:
I. Training makes people constantly dynamic so that they can attune to the changes that are taking place with the pace of market moves.
II. By developing skills and knowledge for higher responsibilities, training ensures that organisational activities are severely affected when higher posts crop up vacant.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2014

6. Consider the following statements regarding employee training during periods of economic hardship:
I. Employee training is one of the most valuable business assets during a recessionary period.
II. Eliminating employee training

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opportunities during a recession is the most recommended strategy to balance stretched budgets.

III. Well-trained employees work more efficiently with fewer errors and delays, which improves engagement and loyalty.

Which of the above statement(s) is/are correct?

(A) Only I and III
(B) Only II and III
(C) Only I and II
(D) I, II, and III

Oct/Nov 2007

7. In the context of employee performance in an organisation, how is the term 'ability' strictly defined?

(A) It encompasses employee behaviour, attitudes, and the willingness to perform well.
(B) It encompasses the traits such as skills and knowledge required to perform a task.
(C) It encompasses the inherent physical makeup of the people and their demographic background.
(D) It encompasses the quality of leadership and the motivation provided to the individual employees.

May/June 2025

8. Which of the following is NOT a recognized principle governing the training function?

(A) Training should occur in the actual job environment whenever possible.
(B) Training should be purposeful and relevant to both employee and firm.
(C) Training should be devoid of motivating factors to ensure rigid compliance.
(D) Training should emerge as a tool for judging suitability for promotion.

Oct/Nov 2019

9. How is 'Training' specifically defined in the context of human resource management?

(A) A theoretical process conducted in classrooms without practical application.
(B) Imparting skills, knowledge, and attitudes to perform a particular job.
(C) A process designed to help employees grow without primary skill focus.
(D) A voluntary learning opportunity focused on general personal traits.

May/June 2009

10. An employee actively participates in a workshop to enrich their knowledge, interact with the trainer to get more insights, and share views with co-participants to remove wrongful perceptions. This scenario directly aligns with which broad objective of training?

(A) Reduction of absenteeism
(B) Uninterrupted Industrial/business activity
(C) Enhancing employee competencies
(D) Easy induction to new entrants

Oct/Nov 2011

11. An organisation identifies a high error rate among its front-desk operatives in utilizing a new software interface. To rectify this, the organisation mandates a workshop focused entirely on the operational commands of the software. This intervention is best described as:

(A) Development
(B) Mentoring
(C) Personal holistic growth
(D) Training

May/June 2010

12. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): The quality of leadership has a demonstrating effect on the workforce and heavily influences the level of performance.

Reason (R): A leader who succeeds in providing quality leadership does so by offering required motivation to the individual employees.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

13. Which industry is predicted to be the fastest growing as a result of the replacement of industrial workers with knowledge workers?

(A) Training and Development
(B) Manufacturing and Production
(C) Anti-Money Laundering Compliance

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related skills.
(C) Development - Broader concept focused on personality development.
(D) Training - May not include development.

May/June 2011

28. Consider the following statements regarding the broad objectives of training:
I. Training rightsizes attitudes and behaviours so employees can deliver quality services at the first point of entry with the speed of thought.
II. Training develops proactive capabilities to identify and predict probable issues to be confronted in the near future.
III. Training alters the mindset of people to resist changes introduced by management to cope with stiff competition.
IV. Tailor-made programmes highlight the effect of absenteeism and the necessity of increasing production and productivity.
Which of the above statement(s) is/are correct?
(A) Only I, II, and IV
(B) Only II, III, and IV
(C) Only I, II, and III
(D) I, II, III, and IV

Oct/Nov 2020

29. Consider the following statements concerning the global need for training and development:
I. In some regions, technology is estimated to be de-skilling a significant percentage of the population.
II. In certain international contexts, with an increasing number of women joining traditionally male jobs, training includes policies regarding workplace conduct and harassment.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2022

30. Identify the correct pair regarding the principles governing the training function in organisations.
(A) Environment - Conducted exclusively in theoretical and off-site settings.
(B) Investment - Viewed as an immediate expense with no promise of future gain.
(C) Purpose - Should be generic and independent of specific corporate needs.
(D) Suitability - Tool for promotions, transfers, and performance reviews.

Oct/Nov 2023

31. To systematically identify gaps in frontline customer service, an HR department deploys evaluators who act as standard customers to interact with staff without revealing their identity. Which specific method of training need identification is being utilized?
(A) Exit interviews
(B) Personnel/skills inventories
(C) Mystery shopping
(D) Organisational climate indices

May/June 2016

32. In the context of the Indian financial sector, what is the approximate valuation and growth rate of the sector?
(A) $15-billion sector, growing at 28 per cent
(B) $28-billion sector, growing at 15 per cent
(C) $50-billion sector, growing at 10 per cent
(D) $10-billion sector, growing at 20 per cent

Oct/Nov 2009

33. How is 'Training Need' formally defined in the context of employee performance?
(A) The modification of habits to ensure permanent behavioral adjustments.
(B) The difference between the standard and actual performance of an employee.
(C) The theoretical assessment of a new technology's impact on competition.
(D) The voluntary desire of an employee to join management programs.

May/June 2023

34. Arrange the structural actions and legislations in the banking sector chronologically from earliest origins:
1. Enactment of Banking Regulation Act.
2. Enactment of Banking Companies (Transfer and Undertakings) Act.
3. First phase of Financial Sector Reforms.
4. Push for 'less-cash' transactions via demonetization.
(A) 2, 1, 3, 4
(B) 1, 2, 3, 4
(C) 3, 1, 2, 4
(D) 1, 3, 2, 4

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Oct/Nov 2008

21. A mid-level manager voluntarily opts to participate in a program covering business environment analysis and leadership styles. The program is not addressing any specific deficiency in their current role but is pursued out of personal ambition. This scenario best illustrates:
(A) Job Rotation
(B) Training
(C) Development
(D) Easy induction

May/June 2006

22. Which of the following correctly represents a broad objective of training from the point of overall development of the organisation?
(A) Inducing rigid perceptions to ensure strict adherence to legacy policies.
(B) Nurturing a talented, committed, and loyal organizational workforce.
(C) Fostering a mindset that strongly resists all modern technical updates.
(D) Increasing employee turnover rates to refresh the human capital pool.

Oct/Nov 2017

23. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Organisations need to introduce new methods, techniques, devices, and contemporary technology to cope with stiff market competition.
Reason (R): Training changes the mindset of the people appropriately to accept the changes the management introduces from time to time.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

24. How is 'Development' specifically defined in the context of human resource management?
(A) An organizational process related narrowly to job-focused skills.
(B) A process that strictly depends upon a deficiency in current skills.
(C) A theoretical method meant exclusively for entry-level operatives.
(D) Opportunities for growth, providing knowledge for higher positions.

Oct/Nov 2013

25. An organisation decides to overhaul its training methodology for newly recruited staff. Instead of providing rulebooks in a seminar hall, the organisation places them in a simulated environment that replicates the exact software, physical layout, and customer interaction dynamics they will face. This approach strictly adheres to which principle?
(A) Training should emerge as a tool for judging suitability for transfers.
(B) Training should be conducted in the actual job environment.
(C) Training should be viewed as an investment in human capital.
(D) Training should transform the firm into a learning organisation.

May/June 2015

26. Consider the following statements regarding the core concepts of 'Human Resource' and 'Performance':
I. The term 'Human Resource' encompasses inherent traits, qualities, skills, behaviours, and knowledge, not merely physical makeup.
II. The term 'willingness' closely relates to employee behaviour and attitudes.
III. Training seeks to change the course of behaviours and attitudes to decrease willingness, while sharply enhancing knowledge.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

Oct/Nov 2012

27. Identify the incorrect pair differentiating Training and Development.
(A) Development - Excludes training completely even when necessary.
(B) Training - Narrower concept focused on job-

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organisation.

May/June 2010

54. Consider the following statements regarding aligning banking with global standards:

I. The Basel core principles for effective banking supervision are being followed.

II. There is periodic on-site monitoring of the risk profile of banks along with off-site surveillance.

III. Regulatory and supervisory responsibility has been narrowed exclusively to banking institutions, excluding non-banking financial companies.

Which of the above statement(s) is/are correct?

(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

Oct/Nov 2024

55. Identify the incorrect pair regarding things to be kept in mind while imparting training to employees.

(A) Building relations - Should strictly occur after the full training is complete.
(B) Trainee-trainer ratio - To maintain effective and personal staff interaction.
(C) Sufficient time - Devoted to programs to ensure proper learning absorption.
(D) Change emphasis - Focus on behavioral shifts rather than just raw inputs.

May/June 2017

56. Identify the correct pair regarding the methods for identifying training needs.

(A) Individual Training Needs Identification - Work samples and rating scales.
(B) Individual Training Needs Identification - Organisational climate indices and efficiency parameters.
(C) Group Level Training Needs - Performance appraisals and employee engagement surveys.
(D) Group Level Training Needs - Questionnaires and periodic demands made by field functionaries.

Oct/Nov 2005

57. Which statement correctly identifies the adoption of global prudential norms in India?

(A) Adoption of international norms for capital, income, and provisioning.
(B) Progressive loosening of norms regarding capital and income recognition.
(C) Steady increase in resource pre-emption through the CRR and SLR ratios.
(D) Tightly regulated interest rates without any phased deregulation efforts.

May/June 2020

58. Which conceptual framework correctly explains how training priorities should be established within an organisation?

(A) Prioritization is based on the essential and desirable aspects of an activity and how it will impact job and organisational performance.
(B) Prioritization should be entirely random to ensure all employees receive equal classroom time regardless of operational needs.
(C) Prioritization should focus exclusively on activities that are of low importance but are easily executable.
(D) Prioritization is dictated solely by the availability of theoretical education components.

Oct/Nov 2015

59. Banks are responding to changing environments by altering their organisational architecture. This involves centralization of certain functions, marketing, and which other component?

(A) Abolition of cross-selling practices
(B) Complete decentralization of settlement mechanisms
(C) Performance-evaluation based compensation systems
(D) Reverting to traditional manual ledgers

May/June 2013

60. Match the factors to be kept in mind while imparting training from List I with their contextual meanings in List II.

List I: (Factor)

P. Sufficient knowledge
Q. Build trust
R. Emphasis on change
S. Leverage work experience

List II: (Meaning)

1. Rather than just focusing on knowledge inputs
2. About what employees need and want

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Oct/Nov 2018

35. What is the most appropriate purpose of utilizing Johari window based programs in a training environment?
(A) Assisting those in a 'conforming' state who feel insecure about taking initiative.
(B) Teaching specific technical software commands to all newly inducted employees.
(C) Enforcing compliance with rigid hierarchical rules and administrative protocols.
(D) Evaluating the statistical financial gains resulting from reduced staff turnover.

May/June 2007

36. In the mid-2000s, public sector banks faced competition in retail banking. The shift toward urban markets allowed private sector banks to consolidate their position in which segment?
(A) The CASA, low cost funds
(B) Wholesale corporate lending
(C) High-risk international derivatives
(D) Non-Performing Assets (NPAs)

Oct/Nov 2025

37. Conceptually, how does 'Learning' differ from 'Training' in the context of human behaviour?
(A) A human process where acquired skills and habits permanently modify behavior.
(B) A temporary change in behavior that requires constant reinforcement.
(C) An organizational process strictly limited to specific job functions.
(D) A classroom-based educational activity focused on theoretical growth.

May/June 2012

38. Consider the following generalized benefits resulting from employee Training and Development:
I. Reduced supervision.
II. Increased organisational viability and flexibility.
III. Better efficiency in work processes leading to financial gains.
IV. Increased capability to adopt new technologies.
V. Increased employee turnover.
Which of the above statement(s) is/are correct?
(A) Only I, II, III, and IV
(B) Only II, III, IV, and V
(C) Only I, III, IV, and V
(D) I, II, III, IV, and V

Oct/Nov 2014

39. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Banks now possess the freedom to recruit staff on their own and invite professionals to join at lateral, higher levels.
Reason (R): A major shift has taken place regarding the freeze on recruitment to strengthen the banking sector.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

40. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The assessment of training needs must encompass the anticipated skills of an employee alongside current performance deficiencies.
Reason (R): Technology changes fast, and new products commensurate with market demands continuously dictate the necessity for the employee to acquire new skills.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

41. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The future of banking depends on how effectively management uses IT as a

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strategic business response.
Reason (R): IT plays a pivotal role in the efficiency of payment systems, credit delivery channels, pricing mechanisms, and fraud control.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

42. Match the methods of identifying training needs in List I with their corresponding categories in List II.
List I: (Method)
P. Performance appraisals
Q. Exit interviews
R. Mystery shopping
S. Rating scales
List II: (Category)
1. Customer service gap identification
2. Group Level Need Identification
3. Individual Need Identification (Tool 1)
4. Individual Need Identification (Tool 2)
(A) P-3, Q-2, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2010

43. Consider the following statements regarding the prioritization of training:
I. The highest training priorities are the activities which are of high importance and immediate in need.
II. Prioritization focuses on areas which will yield the best benefit, thereby justifying the return on investment.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2005

44. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): When people develop confidence, integrity, and emotional competence through participative workshops, they become more proactive and solutions-focused.
Reason (R): Conventional skills training alone provides all the necessary maturity and belief essential for the development of strategic capabilities.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

45. Banks are changing their organisational architecture to strengthen their ability to perform financial functions. Which of the following is NOT one of the three basic components involved in this architectural change?
(A) Centralization of certain functions like payment and settlement mechanisms.
(B) Marketing.
(C) Eradication of performance-evaluation based compensation systems.
(D) Performance-evaluation based compensation systems for employees and managers.

May/June 2018

46. Which of the following statements correctly represents the modern organisational perspective on 'Learning & Development'?
(A) Firms prefer Training over Learning due to the short-term impact on staff.
(B) Firms use Learning & Development for long-term organizational impact.
(C) Learning is discouraged because it undermines specific functional loyalties.
(D) Learning and Development removes all formal educational requirements.

Oct/Nov 2016

47. Arrange the following major milestones in the Indian banking landscape in their correct chronological order:
1. Economic reforms launched in the country

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initiating financial sector reforms.
2. New generation private banks introduced retail banking products.
3. Initiative on demonetization of higher denomination currency notes.
4. Concluding of the XIth Wage Accord introducing Performance-Linked Incentive Norms.

(A) 1, 2, 3, 4
(B) 2, 1, 3, 4
(C) 1, 3, 2, 4
(D) 2, 3, 1, 4

May/June 2014

48. Consider the following statements regarding the identification of training needs:
I. Any change in an organisation's strategy, such as introducing a new line of products, necessitates training of a group of employees.
II. Performance deficiency caused by an absence of skills or knowledge cannot be remedied by training.
III. Training needs identification involves soliciting views from a cross-section of staff regarding the work environment.
IV. Assessment of training needs must purely focus on past deficiencies and entirely ignore anticipated skills.
Which of the above statement(s) is/are correct?
(A) Only I and III
(B) Only II and IV
(C) Only I, II, and III
(D) I, II, III, and IV

Oct/Nov 2007

49. Which factor is defined as a primary force shaping today's world, where companies are constantly in search of low-cost markets?
(A) Globalisation
(B) Securitization
(C) Anti-Money Laundering
(D) Demonetization

May/June 2025

50. A manager observes that several staff members avoid taking on higher responsibility and are nervous about taking independent initiative. Which specific training tool or program is identified to address these behaviours?
(A) Centralized Core Banking Solutions (CBS)
(B) Exit interviews analysis
(C) Johari window based programs
(D) E-shop operations training

Oct/Nov 2019

51. Consider the following statements regarding the changes emerging in business segments in banks:
I. Globalization measures have compelled banks to introduce sophisticated technology to reduce transaction and risk costs.
II. The performance of the Banking Industry depends solely on house-keeping and customer service, excluding payment systems.
III. Growing awareness of money laundering has prompted the passage of Anti-Money Laundering legislation.
IV. IT has a pivotal role to play in the control of NPAs, Treasury and Asset-Liability Management.
Which of the above statement(s) is/are correct?
(A) Only I, III, and IV
(B) Only I, II, and III
(C) Only II, III, and IV
(D) I, II, III, and IV

May/June 2009

52. Assessment of training needs occurs at the group level utilizing various parameters. Which of the following is NOT typically used to identify Group Level Training Needs?
(A) Organisational climate indices
(B) Personnel/skills inventories
(C) Customer satisfaction surveys
(D) Individual performance appraisals

Oct/Nov 2011

53. Which of the following statements regarding the role and impact of behavioural training intervention is incorrect?
(A) Behavioural training intervention focuses on developing the person along with their skills.
(B) Emotional intelligence principles fit well with modern approaches to developing people's belief, maturity, and attitude.
(C) Capability and performance are ultimately independent of people's attitude and emotional maturity.
(D) Helping employees achieve what they want on a personal level provides a platform for trust and 'emotional contracting' with the

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(D) Electronic Commerce

May/June 2017

14. Which specific objective ensures that new employees adjust to the new environment and culture of the organisation, and gain acquaintance with company policies, norms, and rules?
(A) Helps in Employee-growth opportunities
(B) Developing proactive capabilities
(C) Easy induction to new entrants
(D) Enhancing the customer-delight

Oct/Nov 2005

15. Which of the following correctly describes the fundamental distinction between the aims of Training and Development?
(A) Training aims at overall personal effectiveness, while Development aims at immediate job related efficiency.
(B) Training is independent of formal education, whereas Development strictly presumes formal education.
(C) Training depends entirely on personal drive, whereas Development depends on a lack or deficiency in skills.
(D) Training aims at improving job related efficiency and performance, while Development aims at overall personal effectiveness.

May/June 2020

16. In an organisational context, 'performance' is considered the product of which two fundamental aspects of the employees?
(A) Ability and Willingness
(B) Skills and Knowledge
(C) Behaviour and Attitudes
(D) Leadership and Motivation

Oct/Nov 2015

17. Match the characteristics of Training and Development from List I with their correct corresponding descriptions in List II.
List I: (Characteristic)
P. Training Focus
Q. Development Focus
R. Training Nature
S. Development Nature
List II: (Description)
1. Voluntary
2. Organisation-related skill focused
3. Creating learning abilities
4. Generally need based
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2013

18. Which of the following objectives is best served by making people knowledgeable, skilled, competent, and providing ample opportunity to utilize their latent or potential areas?
(A) Nurturing Talent pipeline
(B) Acceptance of change
(C) Turning the people constantly dynamic
(D) Easy induction to new entrants

Oct/Nov 2021

19. Which concept encapsulates the primary external driver for the increased need for training and development, altering how businesses function, compete, and deliver?
(A) Spiritual development
(B) Personal self-awareness
(C) Demographic transitions
(D) Technological change

May/June 2024

20. Consider the following statements regarding the principles governing the training function:
I. Training should be purposefully designed to ignore individual needs while focusing solely on organisational goals.
II. Training strategy should serve as an encouraging tool for employees to own the responsibility of learning.
III. Training should be based on tested principles of learning.
IV. Training should drive the organisation towards transforming it into a 'Learning Organisation'.
V. Training should be viewed as an investment in HR with a promise of better returns in future.
Which of the above statement(s) is/are correct?
(A) Only II, III, IV, and V
(B) Only I, II, III, and IV
(C) Only I, III, IV, and V
(D) I, II, III, IV, and V

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3. To ensure better reachability of training among participants
4. Feeling of being safe to talk about one's problems

(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2021

61. Consider the following measures taken in furtherance of banking liberalization:

I. Gradual reduction in Bank rate.
II. Substantial cut in CRR in phases.
III. Deregulation of interest rates.
IV. Introduction of tighter prudential norms.
V. Introduction of ALM and Risk Management systems.

Which of the above statement(s) is/are correct?

(A) I, II, III, IV, and V
(B) Only I, II, III, and IV
(C) Only II, III, IV, and V
(D) Only I, III, IV, and V

May/June 2024

62. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): India possesses a large population of young people, providing a potential advantage as other countries age.

Reason (R): The knowledge economy presents challenges as knowledge resources like know-how and expertise become critical.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

63. What is the primary regulatory intent behind the enactment of the Securitization Act in banking?

(A) Facilitating the takeover of loan defaulters' assets without court action.
(B) Regulating the interest rates offered on basic staff savings accounts.
(C) Mandating physical expansion of branches into unbanked remote rural areas.
(D) Dictating specific recruitment methodologies for all banking graduates.

May/June 2006

64. Which of the following is NOT explicitly posed as a challenge in the Learning Environment in banks?

(A) Will existing players meet service volume and diversity needs?
(B) Eliminating interactive payment systems permanently.
(C) Establishing the required delivery structures for the system.
(D) What policy changes are needed to facilitate growth and transition?

Oct/Nov 2017

65. What is the most appropriate descriptive feature of the 'GenNext' banking concept?

(A) It relies entirely on traditional branch walk-ins.
(B) It focuses exclusively on corporate lending to IT firms.
(C) Lifecycle products and services offered from birth till death.
(D) It restricts banking services strictly to individuals aged above 60.

May/June 2008

66. Consider the following statements regarding the Changing Role of Training and Education:

I. Traditional methods are giving way to modern methods like E-learning and Web-enabled learning.
II. The training strategy should focus exclusively on theoretical knowledge.
III. The responsibility for learning is shifting from trainers to trainees.
IV. Tools that measure analytical skills and initiative are becoming essential.
V. 'Knowledge Transfer' is gaining acceptance as a core concept.

Which of the above statement(s) is/are correct?

(A) Only I, III, IV, and V
(B) Only I, II, IV, and V
(C) Only II, III, IV, and V
(D) I, II, III, IV, and V

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motivation is essential for engaging employees and ensuring the successful absorption of new skills.

9. (B) Imparting skills, knowledge, and attitudes to perform a particular job.
Training is the systematic process of imparting specific skills, knowledge, and attitudes required to perform a particular job effectively. Unlike development, which focuses on long-term growth and personal effectiveness, training is primarily concerned with immediate job-related efficiency and rectifying current performance deficiencies. It bridges the gap between the standard requirements and the actual performance levels of employees.

10. (C) Enhancing employee competencies
Engaging in workshops to enrich knowledge and interact with trainers directly supports the objective of enhancing employee competencies. This process involves gaining new insights and correcting misconceptions, which broadens the individual's skill set and professional understanding. By actively participating and sharing views, employees improve their ability to handle complex tasks, thereby increasing their overall value and functional efficiency.

11. (D) Training
A workshop focused on specific operational commands to rectify a high error rate is a classic example of training. This intervention targets a specific deficiency in current job performance and aims to provide immediate practical skills. While development covers broader growth, training is narrow in scope and designed to ensure staff can utilize necessary tools and software interfaces correctly.

12. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The quality of leadership significantly impacts workforce performance through a demonstrating effect. Effective leaders achieve this by providing the necessary motivation to individual employees, encouraging them to reach their full potential. The reason correctly explains the assertion because the leader's ability to motivate is the primary mechanism through which their leadership quality translates into improved organizational performance and output.

13. (A) Training and Development
As knowledge workers replace industrial workers, the training and development industry is predicted to be the fastest-growing sector. This shift occurs because constant upskilling and knowledge acquisition become vital for maintaining a competitive edge in a knowledge-based economy. Organizations must invest heavily in human capital to ensure their workforce can navigate complex technological changes and sophisticated business environments effectively.

14. (C) Easy induction to new entrants
Easy induction ensures that new employees successfully adjust to the organizational environment, culture, and specific rules. This process involves gaining acquaintance with company policies and norms, which helps minimize initial confusion and accelerates the integration of new staff into their roles. Effective induction programs provide a smooth transition, allowing new entrants to become productive and comfortable within the organization quickly.

15. (D) Training aims at improving job related efficiency and performance, while Development aims at overall personal effectiveness.
Training focuses on improving immediate job-related efficiency and performance by addressing specific skill gaps. In contrast, development is a broader concept aimed at overall personal effectiveness and long-term career growth. While training is often mandatory and need-based, development is frequently voluntary and driven by an individual's ambition to prepare for higher levels of responsibility and future organizational challenges.

16. (A) Ability and Willingness
Performance in an organization is conceptually defined as the product of an employee's ability and their willingness to work. Ability refers to the necessary skills and knowledge, while willingness relates to behavior and attitudes. For optimal performance, an individual must possess both the technical capacity to perform the task and the internal motivation to execute it effectively and consistently.

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(C) Both I and II
(D) Neither I nor II

May/June 2016

74. Consider the following statements regarding the characteristics of GenNext banking:
I. Every person will have a customized web-page for selecting products.
II. It emphasizes facilities like internet banking and tele-banking for a tech-savvy generation.
III. The idea is that a relationship built at birth is terminated upon the customer gaining employment.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

Oct/Nov 2009

75. A bank plans to offer delivery of all financial products under one roof. The HR department begins assessing skill requirements to nurture the workforce. This addresses the prominence of:
(A) HR issues in creating an accountable workforce
(B) Anti-Money Laundering legislation
(C) The abolition of recruitment boards
(D) The demonetization framework

May/June 2023

76. To meet increasing customer expectations, a bank integrates its systems across locations to process transactions in real time through multiple channels. The bank aims to provide all services efficiently at one point. This strategic initiative introduces which concept?
(A) Universal banking isolation
(B) E-exchange trading
(C) Standalone manual ledgers
(D) Single Window

Oct/Nov 2018

77. Match the issues in the banking learning environment from List I to their considerations in List II.
List I: (Issue)
P. GenNext banking requirement
Q. Delivery Structure for financial system
R. Delivery model at grass root level
S. HR issues prominence
List II: (Consideration)
1. Assessing skill requirements to nurture workforce
2. Must generate information for operations
3. Universal banking or collaborative route
4. Multichannel delivery system combining branches and mobile services
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-4, Q-2, R-3, S-1

May/June 2007

78. To transform a traditional bank into a modern one, professionally qualified individuals are inducted into the bank's Board. This induction of professionalism strives to attain the objectives of:
(A) Securitization
(B) Anti-Money Laundering
(C) Corporate Governance
(D) Demonetization

Oct/Nov 2025

79. Consider the following statements regarding electronic banking:
I. Electronic commerce comes in basic forms such as the e-shop, e-store, and e-exchange.
II. An electronic purse is a payment instrument for making non-cash payments.
III. Electronic banking eliminates the need for security in data transfer.
IV. Re-orientation in management relates to expanding the use of IT and knowledge systems.
Which of the above statement(s) is/are correct?
(A) Only I, II, and IV
(B) Only I, II, and III
(C) Only II, III, and IV
(D) I, II, III, and IV

May/June 2012

80. Which of the following statements incorrectly represents the changes occurring in the Indian Banking Sector?
(A) Merging PSBs and privatizing a few PSBs remains an on-going objective.
(B) The State Bank of India merger was declared a failure, halting consolidation.
(C) Plans exist to reduce the number of Public Sector Banks to a single-digit.

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Oct/Nov 2013

67. A banking institution introduces protocols to track complex financial transactions to prevent the conversion of proceeds from illegal activities into legitimate funds. These protocols are implemented to comply with guidelines concerning which legal framework?
(A) Securitization Act
(B) Banking Regulation Act
(C) Anti-money laundering measures
(D) Performance-Linked Incentive Norms

May/June 2015

68. The merger of Oriental Bank of Commerce and United Bank of India with Punjab National Bank constitutes a significant transformation. This impact is primarily felt in:
(A) The physical layout of the RBI headquarters
(B) The global pricing of raw materials
(C) The HR/IR policies and strategies of the banks
(D) The demographic transition rate of the country

Oct/Nov 2012

69. A bank management team organizes training programs conducted by field experts to deploy interactive payment systems. This action addresses re-orientation in the field of:
(A) Traditional cash sorting
(B) GenNext birth tracking
(C) Knowledge economy management
(D) Real estate acquisition

May/June 2011

70. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Every branch of a bank is increasingly viewed as a separate business unit with its profitability assessed independently.
Reason (R): There is a need to improve product delivery systems using competitive transfer-price mechanisms suiting various population sectors.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2020

71. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): In modern banking, there is a need for a workforce that owns the responsibility for learning.
Reason (R): Constant learning and acquiring new skills are emerging as primary sources of competitive advantage.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

72. Consider the following statements regarding the adoption of technology in banking operations:
I. Banks have embarked upon Centralized Core Banking Solutions (CBS) to maximize technology benefits despite capital investment.
II. Technology absorption has necessitated banks to review systems and procedures as part of Business Process Re-engineering.
Which of the above statement(s) is/are correct?
(A) Both I and II
(B) Only I
(C) Only II
(D) Neither I nor II

Oct/Nov 2023

73. Consider the following statements regarding the modernization of traditional banking:
I. Personal contact is taking a back seat to faster and cheaper means of communication.
II. Basic electronic banking is strictly limited to services provided within physical branch premises.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II

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the bank.
(D) The cash reserve ratio (CRR) limits for the institution.

May/June 2014

90. A specialized bank branch offers automated savings accounts that transition into student loans and later into vehicle and home loans, tracking the patterns of the young population. This banking dimension targets:
(A) Corporate Governance
(B) Asset-Liability Management
(C) Securitization
(D) GenNext

Oct/Nov 2007

91. Consider the following statements regarding training and banking systems:
I. Training acts as a tool for judging the suitability of employees for promotions.
II. 'Learning' is an organisational process, while 'Training' is a human process for growth.
III. Mystery shopping is used to identify gaps in customer service.
IV. Participative workshops are effective in bringing about attitudinal changes.
V. The Securitization Act eases the takeover of assets of loan defaulters.
Which of the above statement(s) is/are correct?
(A) Only I, III, IV, and V
(B) Only II, III, IV, and V
(C) Only I, II, IV, and V
(D) I, II, III, IV, and V

May/June 2025

92. An organisation with a diverse and geographically spread workforce needs to transfer operational knowledge. Which medium holds immense promise to enhance awareness in an efficient manner?
(A) Mandatory physical attendance at a central college
(B) The traditional chalk and talk method
(C) Distribution of printed rulebooks via regular mail
(D) The medium of E-learning and Knowledge Transfer

Oct/Nov 2019

93. Match the modern tools from List I with their contextual definitions in List II.
List I: (Tool/Concept)
P. E-Learning mantra
Q. E-shop/E-store/E-exchange
R. Multipurpose payment card
S. Classrooms today
List II: (Definition)
1. Transcend limitations of time and space
2. Knowledge Transfer
3. Basic forms of electronic commerce
4. An electronic purse for non-cash payments
(A) P-2, Q-3, R-1, S-4
(B) P-1, Q-4, R-2, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-4, Q-2, R-3, S-1

May/June 2009

94. Match the historical entities or concepts from List I with their associated descriptions in List II.
List I: (Entity/Concept)
P. Narasimham Committee
Q. International Financial Standards Committee
R. Knowledge Worker growth prediction
S. Recruitment Board Abolition
List II: (Description)
1. Predicted training/development would be a fast growing industry
2. Recommended reducing the number of Public Sector Banks
3. Gave banks freedom to recruit staff independently
4. Involved on-site and off-site monitoring of risk profiles
(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2011

95. A retail bank modernizes by replacing physical counters with self-service zones and e-mail banking. A customer will avoid using a service that fails to guarantee which of the following?
(A) High interest yields and tax exemptions
(B) Required privacy and security of data transfer
(C) Face-to-face traditional branch interactions
(D) Physical multi-purpose payment cards delivered by hand

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(D) Syndicate Bank was successfully merged into Canara Bank operations.

Oct/Nov 2014

81. A bank curriculum first imparts knowledge on regulatory norms, then utilizes simulations for practical skills, and finally incorporates motivational workshops for attitudes. This methodology exemplifies:
(A) Three-tiered approach of training strategy
(B) Two-tiered educational protocol
(C) GenNext traditional banking system
(D) Single Window concept

May/June 2019

82. Facing declining spreads, a bank moves away from offering services to a small, elite clientele and instead promotes generalized retail products and housing finance to a vast population base. This transition is described as moving away from:
(A) Mass Banking
(B) GenNext Banking
(C) Class Banking
(D) E-Banking

Oct/Nov 2006

83. In which month and year was the XIth Wage Accord concluded, marking the introduction of Performance-Linked Incentive Norms in banks?
(A) November 2020
(B) November 2016
(C) March 2020
(D) April 1992

May/June 2021

84. Which of the following correctly identifies a challenge in the Learning Environment in banks as services expand?
(A) Ensuring that existing players restrict the diversity of services.
(B) Generating systems and structures to provide information for future generation banks.
(C) Guaranteeing that HR issues remain isolated from product delivery.
(D) Implementing manual ledgers in all rural sectors.

Oct/Nov 2010

85. In the context of banking education, the transition to a "Knowledge Century" indicates a shift from a product-based economy to what specific type of economy?
(A) Agrarian economy
(B) Industrial economy
(C) Command economy
(D) Knowledge-based economy

NODIA

May/June 2005

86. Identify the incorrect statement regarding the market-driven scenario and banking strategies.
(A) Prevalent declining interest-regimes see thinning spreads.
(B) Mass Banking compromises quality lending to achieve high volumes.
(C) Bankers are switching to 'Mass Banking' to increase business quantity.
(D) Increased thrust on Retail Banking is an initiative to enhance volume.

Oct/Nov 2022

87. Given the dimensions of business involved in expanding services, what is the identified delivery model at the grass root level?
(A) A strict universal banking subsidiary model without mobile interfaces.
(B) Exclusive reliance on e-exchange without physical branches.
(C) A fully centralized model relying on traditional chalk and talk training.
(D) Multichannel systems using branches, cards, and mobile services.

May/June 2018

88. Which 2016 initiative was undertaken as a structural reform to inculcate 'less-cash transactions' and push digital transactions?
(A) Passage of the Anti-Money Laundering Bill
(B) Introduction of Goods & Services Tax (GST)
(C) Enactment of the Securitization Act
(D) Demonetization of higher denomination currency notes

Oct/Nov 2016

89. To support a modern economy, a banking institution focuses on enriching its human capital. This strategic necessity is undertaken primarily to strengthen:
(A) Skill levels in sales, service operations, and risk management.
(B) The physical infrastructure of outdated branch buildings.
(C) The statutory liquidity ratio (SLR) limits for

ANSWERS

1. (D) Training is designed to make people unaware of production needs.
Training aims to improve the efficiency and knowledge of employees regarding organizational needs. It removes performance deficiencies and prepares staff for higher responsibilities while enhancing the corporate image. Designing programs to make employees unaware of production requirements contradicts the fundamental purpose of increasing operational awareness and alignment with organizational goals and standards.

2. (C) Assertion (A) is true, but Reason (R) is false.
Training and development are vital because contemporary employees seek holistic growth and personal fulfillment. While financial incentives are important, money is not the sole motivator in the current workforce environment. Employees increasingly value opportunities for self-improvement and career progression, which makes the assertion regarding holistic development accurate while the reason regarding exclusive financial motivation is factually incorrect.

3. (C) Mandatory administrative transfers
Employee development focuses on upskilling and preparing staff for future challenges through methods like professional mentoring, job rotation, and simulation exercises. These methods actively enhance capabilities. However, mandatory administrative transfers are typically operational or bureaucratic requirements rather than specific developmental tools intended to systematically improve an individual's professional competencies or strategic leadership skills within the organization.

4. (C) P-2, Q-4, R-3, S-1
Formal education is typically a prerequisite presumed in training. Target orientation in training focuses specifically on improving job-related efficiency. Development is driven by personal drive and ambition rather than immediate skill gaps. Finally, the ultimate output aim of development is the enhancement of overall personal effectiveness, allowing for broader career growth and comprehensive individual professional maturity.

5. (A) Only I
Training makes employees dynamic, allowing them to adapt to market changes and technological shifts. While training prepares individuals for higher responsibilities, its goal is to ensure organizational continuity when vacancies arise, not to cause activities to be severely affected. Therefore, the first statement accurately reflects the positive impact of training, whereas the second statement misrepresents its intended organizational outcome.

6. (A) Only I and III
During a recession, employee training remains a valuable business asset because well-trained staff work more efficiently with fewer errors. This improves loyalty and engagement during difficult times. Eliminating training opportunities to balance budgets is generally not recommended, as it can hinder long-term recovery and reduce the workforce's ability to handle complex operational challenges effectively.

7. (B) It encompasses the traits such as skills and knowledge required to perform a task.
Ability in an organizational context refers specifically to the skills and knowledge an individual possesses to perform a task. It is a core component of performance, alongside willingness. While behavior and attitudes relate to willingness, ability is strictly defined by the technical and cognitive capacities required to meet the specific demands and standards of a professional role.

8. (C) Training should be devoid of motivating factors to ensure rigid compliance.
Effective training should be purposeful, relevant, and based on tested learning principles. It often serves as a tool for assessing promotion suitability and should ideally occur in the actual job environment. Suggesting that training must be devoid of motivating factors is incorrect, as

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May/June 2010

96. Identify the incorrect statement regarding Knowledge Transfer and E-Learning.
(A) 'Knowledge Transfer' is gaining more acceptance than the traditional definition of 'education'.
(B) The Internet has revolutionized the concept of distance education.
(C) Technology changes necessitate the transformation into a learning organisation.
(D) Training colleges have never played a significant role in imparting education in the industry.

Oct/Nov 2024

97. Match the transformational concepts in banking from List I with their characteristics in List II.
List I: (Concept)
P. Mass Banking
Q. Class Banking
R. GenNext Banking
S. One Nation - One Tax
List II: (Characteristic)
1. Providing life cycle products from birth till death
2. Increasing business volumes without compromising quality lending
3. The underlying theme of the Goods & Services Tax (GST)
4. Traditional model offering services to a limited, niche clientele
(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-4, R-2, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-3, S-1

May/June 2017

98. Consider the following statements regarding banking and learning:
I. E-Learning transcends traditional limitations of classrooms regarding time and space.
II. The Indian financial sector has displayed stability even when global markets faced crises.
III. The GenNext banking model aims to utilize demographic transitions.
IV. Moving from Class Banking to Mass Banking strictly demands compromising quality lending.
Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only II, III, and IV
(C) Only I, III, and IV
(D) I, II, III, and IV

Oct/Nov 2005

99. Consider the following statements regarding the adoption of technology and learning:
I. Timely adoption of technology plays a critical role in deciding organizational leadership in the market.
II. Despite E-learning, traditional staff training colleges remain the only acceptable method of imparting knowledge.
III. The need to transform into a learning organisation is increasingly apparent.
Which of the above statement(s) is/are correct?
(A) Only I and III
(B) Only I and II
(C) Only II and III
(D) I, II, and III

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May/June 2020

100. A banking institution introduces protocols to track complex financial transactions to prevent the conversion of proceeds from illegal activities into legitimate funds. These protocols are implemented to comply with guidelines concerning which legal framework?
(A) Securitization Act
(B) Banking Regulation Act
(C) Anti-money laundering measures
(D) Performance-Linked Incentive Norms

17. (D) P-2, Q-3, R-4, S-1
Training focus is primarily on organization-related skills required for specific roles. Development focus involves creating broader learning abilities for long-term growth. The nature of training is generally need-based, triggered by performance deficiencies or new requirements. Conversely, development is voluntary in nature, often pursued by employees through their own initiative to enhance their personal effectiveness and prepare for future career opportunities.

18. (A) Nurturing Talent pipeline
Nurturing a talent pipeline involves making employees knowledgeable, skilled, and competent while providing opportunities to utilize their latent potential. This objective ensures that the organization has a steady supply of capable individuals ready to step into higher roles. By focusing on both current skills and future potential, the organization builds a resilient workforce capable of sustaining long-term growth and success.

19. (D) Technological change
Technological change is a primary external driver that increases the need for training and development. It fundamentally alters how businesses function, compete, and deliver services. As technology evolves rapidly, employees must constantly update their skills to remain relevant and efficient. Organizations that fail to adapt through continuous learning struggle to maintain their competitive position in an increasingly digital and automated global market.

20. (A) Only II, III, IV, and V
Effective training principles include viewing training as an investment in human capital and basing it on tested learning principles. It should encourage employees to own their learning and help transform the firm into a learning organization. However, training should not ignore individual needs; rather, it should be purposeful and relevant to both the employee's personal growth and the organization's strategic goals.

21. (C) Development
When a manager voluntarily participates in a program to enhance leadership styles and business analysis without a specific role deficiency, it illustrates development. This process is driven by personal ambition and focuses on overall personal effectiveness rather than immediate job skills. Development prepares individuals for future challenges and higher responsibilities, transcending the narrow, need-based scope typically associated with functional training.

22. (B) Nurturing a talented, committed, and loyal organizational workforce.
A key objective of training from an organizational perspective is nurturing a talented, committed, and loyal workforce. This involves enhancing competencies and aligning individual goals with organizational success. Effective training fosters a positive culture where employees feel valued and prepared, reducing turnover and improving overall productivity. It aims to build a resilient human capital base capable of adapting to various professional challenges.

23. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Organizations must introduce new technology and methods to stay competitive, which is a strategic necessity. Training is instrumental in changing employee mindsets to accept these management-led changes. While both statements are true, the reason describes how training facilitates change acceptance rather than explaining the underlying economic or competitive reasons why organizations must introduce new technologies in the first place.

24. (D) Opportunities for growth, providing knowledge for higher positions.
Development is defined as the process of providing opportunities for growth and knowledge to prepare employees for higher positions. It is a broader, long-term approach compared to training. Development focuses on enhancing an individual's total personality and effectiveness, often being voluntary and driven by the employee's desire to expand their capabilities beyond the requirements of their current functional role.

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25. (B) Training should be conducted in the actual job environment.
Placing trainees in a simulated environment that replicates software and customer dynamics adheres to the principle that training should occur in the actual job environment. This approach ensures that the skills learned are directly applicable and transferable to real-work scenarios. By mimicking the physical and operational realities of the job, the organization increases the effectiveness and relevance of the learning experience.

26. (A) Only I and II
Human resource refers to the collective traits, skills, and knowledge of people, not just their physical makeup. Willingness is closely tied to employee behaviors and attitudes toward their work. However, training aims to enhance both knowledge and willingness by aligning attitudes with organizational goals. It does not seek to decrease willingness, as high motivation is essential for converting ability into effective performance.

27. (A) Development - Excludes training completely even when necessary.
Development is a broad concept focused on personality and overall growth, and it often includes training as a component when specific skills are needed. It does not exclude training. While training is a narrower, job-focused concept, development encompasses a wider range of activities designed to improve personal effectiveness. Therefore, the statement claiming development excludes training is factually incorrect in a management context.

28. (A) Only I, II, and IV
Training objectives include rightsizing attitudes for quality service, developing proactive capabilities for future issues, and using tailor-made programs to address absenteeism and productivity. However, training is intended to help employees accept and adapt to changes introduced by management, not to resist them. Aligning employee mindsets with technological and organizational shifts is a fundamental purpose of modern professional training and development programs.

29. (C) Both I and II
Globally, technology is de-skilling certain populations, necessitating re-training. Additionally, as workforce demographics shift, such as more women entering traditionally male-dominated roles, training must evolve to include policies on workplace conduct and harassment. Both statements accurately reflect the diverse and expanding role of training in addressing technological shifts and social changes within the modern international business environment and labor market.

30. (D) Suitability - Tool for promotions, transfers, and performance reviews.
Training serves as a vital tool for judging an employee's suitability for promotions, transfers, and performance reviews. This principle ensures that training outcomes are integrated into career progression. Other principles suggest that training should be viewed as an investment for future returns, be purposeful to corporate needs, and ideally occur in an environment that reflects actual job conditions rather than being purely theoretical.

31. (C) Mystery shopping
Mystery shopping involves evaluators acting as regular customers to interact with staff anonymously. This method is specifically designed to identify gaps in frontline customer service by observing real-time behavior and adherence to standards. It provides objective data on the customer experience, which helps organizations target specific training interventions to improve service quality, employee responsiveness, and overall adherence to corporate service protocols.

32. (B) $28-billion sector, growing at 15 per cent
The Indian training and development industry is characterized as a $28-billion sector with an annual growth rate of approximately 15 percent. This significant valuation and steady growth reflect the sector's expansion and its critical role in the national economy. Such growth necessitates a continuous focus on human resource development and training to manage increasing transaction volumes and the adoption of sophisticated financial technologies.

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33. (B) The difference between the standard and actual performance of an employee.
A training need is formally defined as the gap or difference between the standard performance required for a job and the actual performance of the employee. When this gap is caused by a lack of skills or knowledge, training is required to bridge it. Identifying these gaps through systematic assessment allows organizations to design targeted interventions that improve individual efficiency and organizational productivity.

34. (B) 1, 2, 3, 4
The chronological order begins with the Banking Regulation Act (1949), followed by the Banking Companies (Transfer and Undertakings) Act (1970). The first phase of Financial Sector Reforms was initiated in the early 1990s following the Narasimham Committee report. Finally, the push for 'less-cash' transactions via demonetization occurred in 2016, representing a modern shift toward a digital and transparent financial system.

35. (A) Assisting those in a 'conforming' state who feel insecure about taking initiative.
Johari window-based programs are used in training to help employees who are in a 'conforming' state. These individuals may feel insecure about taking initiative or have limited self-awareness regarding their potential. By using this tool to explore known and unknown areas of the self, training can build confidence, encourage proactive behavior, and improve interpersonal dynamics and personal effectiveness within the organization.

36. (A) The CASA, low cost funds
In the mid-2000s, private sector banks successfully consolidated their position by targeting the urban market and focusing on CASA (Current Account Savings Account) deposits. These represent low-cost funds that improve a bank's margins and liquidity. This strategic shift allowed private banks to compete effectively with public sector banks by leveraging modern technology and customer-centric retail products to attract a tech-savvy urban clientele.

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37. (A) A human process where acquired skills and habits permanently modify behavior.
Learning is a fundamental human process through which acquired skills, knowledge, and habits result in a permanent modification of behavior. While training is an organizational activity designed to impart specific job-related skills, learning is the internal change that occurs within the individual. Unlike temporary changes, true learning involves a lasting adjustment in how a person perceives and interacts with their professional environment.

38. (A) Only I, II, III, and IV
Benefits of training include reduced supervision, increased organizational viability, improved work efficiency, and enhanced capability to adopt new technologies. These factors contribute to financial gains and operational flexibility. However, increased employee turnover is generally a negative outcome; effective training and development programs typically aim to increase employee loyalty and retention by providing growth opportunities and improving job satisfaction within the firm.

39. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Banks now have the autonomy to recruit staff independently and invite professionals for lateral entry at higher levels. This shift is a direct result of the policy change regarding the previous freeze on recruitment. By ending the freeze and allowing specialized hiring, the management aims to strengthen the banking sector with diverse expertise and modern skills required for contemporary financial operations.

40. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Assessment of training needs must look at both current deficiencies and anticipated future skills. This is essential because rapid technological changes and evolving market demands continuously create the need for new competencies. The reason correctly explains that since products and technologies are always updating, employees must proactively acquire new skills to ensure they remain capable of

meeting future organizational and market requirements.

41. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The future success of banking is heavily dependent on the strategic use of Information Technology. IT is fundamental to enhancing the efficiency of payment systems, credit delivery, and fraud control. This importance explains why management must prioritize IT as a strategic response; without robust technological systems, banks cannot achieve the necessary speed, security, and pricing accuracy required to compete in modern financial markets.

42. (A) P-3, Q-2, R-1, S-4
Performance appraisals are a primary tool for individual training need identification. Exit interviews help identify group-level needs by revealing common reasons for staff turnover. Mystery shopping is used specifically for identifying customer service gaps. Rating scales serve as a secondary tool for individual need identification. These varied methods ensure a comprehensive assessment of both individual skill gaps and broader organizational training requirements.

43. (C) Both I and II
Training priorities should be given to activities that are of high importance and immediate need. Additionally, prioritization should focus on areas that yield the best organizational benefit, ensuring a justifiable return on investment. By balancing urgency with strategic impact, organizations can allocate their training resources effectively to address the most critical performance gaps and support long-term business goals and growth.

44. (C) Assertion (A) is true, but Reason (R) is false.
Participative workshops help employees develop confidence and emotional competence, making them more proactive. However, conventional skills training alone is often insufficient to provide the deeper maturity and belief needed for strategic capabilities. True development requires behavioral interventions alongside technical skills. Therefore, the assertion regarding the positive impact of workshops is correct, while the reason claiming conventional training is sufficient for holistic maturity is incorrect.

45. (C) Eradication of performance-evaluation based compensation systems.
Modern banking architectural changes involve the centralization of functions, an increased focus on marketing, and the implementation of performance-evaluation based compensation systems. These components are designed to strengthen financial functions and accountability. The suggestion that banks are eradicating performance-linked systems is incorrect, as such systems are actually being introduced and strengthened to drive efficiency and reward high-performing employees and managers.

46. (B) Firms use Learning & Development for long-term organizational impact.
Modern organizations view Learning and Development as a strategic tool for achieving long-term organizational impact. This perspective goes beyond short-term training by fostering a culture of continuous learning and personal growth. By investing in the comprehensive development of their workforce, firms ensure they have the necessary human capital to adapt to future challenges and sustain a competitive advantage in a changing market.

47. (A) 1, 2, 3, 4
The timeline begins with the 1991 economic reforms that initiated financial sector changes. Next, new-generation private banks introduced retail products in the mid-2000s. This was followed by the demonetization initiative in 2016. Finally, the concluding of the XIth Wage Accord in November 2020 introduced performance-linked incentives. This sequence reflects the progressive modernization and reform of the Indian banking landscape over several decades.

48. (A) Only I and III
Strategic changes, such as new product lines, necessitate group training, and identifying needs involves gathering staff views on the work environment. Performance deficiencies caused by skill gaps can indeed be remedied by training. Furthermore, needs assessment should consider both past deficiencies and anticipated future skills. These principles ensure that training is

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responsive to both current operational failures and future strategic organizational requirements.

49. (A) Globalisation
Globalisation is the primary force shaping the modern world, driving companies to seek low-cost markets and expand their operations internationally. It increases competition and necessitates the adoption of global standards in service and technology. For businesses to succeed in this environment, they must be highly efficient and adaptable, which further increases the need for continuous employee training and comprehensive organizational development.

50. (C) Johari window based programs
Johari window-based programs are specifically designed to address behavioral issues such as a lack of initiative or nervousness about taking on higher responsibility. By helping employees understand themselves and how they are perceived by others, these programs build confidence and emotional competence. This behavioral intervention encourages staff to move beyond their comfort zones and take proactive roles within the organization's professional structure.

51. (A) Only I, III, and IV
Globalization has led to sophisticated technology adoption in banks, and growing awareness has prompted anti-money laundering legislation. IT is also critical for managing NPAs and Asset-Liability systems. However, banking performance is not solely based on housekeeping; it heavily involves payment systems and modern credit delivery. Therefore, statements regarding technology, legislation, and the role of IT are correct, while the exclusive focus on housekeeping is inaccurate.

52. (D) Individual performance appraisals
Individual performance appraisals are primarily used to identify specific skill gaps for a single employee. In contrast, group-level needs are identified using tools like organizational climate indices, personnel inventories, and customer satisfaction surveys. These broader methods help an organization understand the collective training requirements of departments or teams, ensuring that interventions address common deficiencies that affect overall group performance and efficiency.

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53. (C) Capability and performance are ultimately independent of people's attitude and emotional maturity.
Behavioral training is essential because capability and performance are fundamentally dependent on an individual's attitude and emotional maturity. Helping employees achieve personal goals fosters trust and emotional contracting with the firm. Claiming that performance is independent of attitude is incorrect; modern human resource management recognizes that technical skills must be supported by the right mindset and emotional intelligence to achieve optimal professional results.

54. (A) Only I and II
Indian banking follows Basel core principles and employs on-site and off-site monitoring of risk profiles to align with global standards. However, regulatory responsibility has not been narrowed only to banks; it has been expanded to include non-banking financial companies (NBFCs) to ensure systemic stability. Therefore, the statements regarding Basel principles and risk surveillance are correct, while the claim about narrowing regulatory scope is false.

55. (A) Building relations - Should strictly occur after the full training is complete.
Building relations and trust should occur from the beginning of a training program, not just after it is complete. Establishing a safe environment allows participants to talk openly about problems and absorb learning more effectively. Other important factors include maintaining a proper trainee-trainer ratio, devoting sufficient time to the curriculum, and emphasizing behavioral changes rather than just providing raw information inputs.

56. (A) Individual Training Needs Identification - Work samples and rating scales.
Individual training needs are correctly identified through specific tools like work samples and rating scales, which measure a single employee's proficiency. Group-level identification involves broader methods like questionnaires and demands from field functionaries. Methods like organizational climate indices and

efficiency parameters are also used for groups. Distinguishing between these levels ensures that training interventions are accurately targeted at the appropriate organizational or individual scale.

57. (A) Adoption of international norms for capital, income, and provisioning.
India has adopted international prudential norms for capital adequacy, income recognition, and provisioning for bad debts. This move aligns the domestic banking sector with global best practices, enhancing transparency and financial stability. This process involved a phased deregulation of interest rates and a reduction in resource pre-emption through CRR and SLR ratios, rather than loosening norms or increasing pre-emption as suggested in other options.

58. (A) Prioritization is based on the essential and desirable aspects of an activity and how it will impact job and organisational performance.
Training priorities should be established based on the essential and desirable nature of the activity and its potential impact on job and organizational performance. Activities that are highly important and address immediate needs are prioritized. This systematic approach ensures that limited training resources are directed toward interventions that provide the greatest benefit to organizational goals and improve overall employee efficiency and output.

59. (C) Performance-evaluation based compensation systems
The modernization of banking architecture involves three main components: centralization of specific functions, marketing, and performance-evaluation based compensation systems. These systems are designed to link employee rewards with their actual performance and contribution to the bank's success. This shift toward accountability and performance-linked incentives is a key strategy for improving competitiveness and service delivery in the modern, technology-driven financial environment.

60. (A) P-2, Q-4, R-1, S-3
Imparting training requires sufficient knowledge of what employees need. Building trust involves creating a safe space for participants to share problems. Emphasis on change focuses on behavioral shifts rather than just technical inputs. Finally, leveraging work experience helps ensure better reachability and relevance among participants. These factors collectively enhance the effectiveness of the training process and improve the absorption of new professional concepts.

61. (A) I, II, III, IV, and V
Banking liberalization in India included several key measures: a gradual reduction in the Bank rate, substantial cuts in the CRR in phases, and the deregulation of interest rates. Additionally, tighter prudential norms were introduced alongside ALM and Risk Management systems. Together, these reforms aimed to increase the efficiency, competitiveness, and financial stability of the banking sector while allowing it to function more autonomously.

62. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
India's large young population is a significant potential advantage as other nations age. Simultaneously, the global shift toward a knowledge economy makes expertise and know-how critical. While both statements are true, the challenge of the knowledge economy does not directly explain why a young population is an advantage; the advantage relates more to demographic labor supply than the specific nature of knowledge resources.

63. (A) Facilitating the takeover of loan defaulters' assets without court action.
The primary regulatory intent of the Securitization Act is to facilitate the takeover and sale of assets belonging to loan defaulters without requiring a lengthy court action. This law empowers banks and financial institutions to recover non-performing assets more efficiently. By streamlining the recovery process, the Act helps improve the overall health of the banking system's balance sheets and reduces the burden of bad loans.

64. (B) Eliminating interactive payment systems permanently.
Challenges in the banking learning environment include meeting service diversity needs, establishing delivery structures, and identifying

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necessary policy changes for growth. Eliminating interactive payment systems is not a challenge but a regressive step that contradicts the current trend toward technological modernization. Banks are actually striving to expand and improve these systems to enhance customer convenience and operational efficiency in a digital economy.

65. (C) Lifecycle products and services offered from birth till death.
GenNext banking is characterized by offering customized lifecycle products and services to customers from birth until death. It targets a tech-savvy generation by providing facilities like internet and tele-banking through personalized interfaces. This model focuses on building a long-term relationship where the bank adapts its offerings to the changing financial needs of the individual as they progress through different life stages and milestones.

66. (A) Only I, III, IV, and V
Training is shifting from traditional to modern methods like E-learning, with a greater focus on 'Knowledge Transfer' and analytical tools. The responsibility for learning is moving from trainers to trainees. However, training strategy should not focus exclusively on theoretical knowledge; it must balance theory with practical application and behavioral development to ensure that employees can effectively apply their skills in real-work scenarios.

67. (C) Anti-money laundering measures
Protocols to track complex financial transactions are implemented to comply with Anti-money laundering (AML) measures. These laws are designed to prevent criminals from disguising the illegal origin of their funds. By monitoring and reporting suspicious activities, banks play a crucial role in international efforts to combat financial crimes and maintain the integrity of the global financial system against illegal conversion of proceeds.

68. (C) The HR/IR policies and strategies of the banks
Major transformations like the merger of Oriental Bank of Commerce and United Bank of India into Punjab National Bank have a profound impact on HR (Human Resources) and IR (Industrial Relations) policies. Such consolidations require the harmonization of different organizational cultures, salary structures, and administrative procedures. Management must strategically navigate these human elements to ensure a smooth transition and maintain employee productivity and morale during integration.

69. (C) Knowledge economy management
Training programs conducted by experts to deploy interactive payment systems directly address the re-orientation needed for knowledge economy management. This reflects the transition from a traditional, product-based banking model to one where IT and knowledge systems are central. By leveraging specialized expertise, banks ensure their workforce is capable of managing the sophisticated technological infrastructures and information-driven services required in the modern financial landscape.

70. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Bank branches are increasingly treated as independent business units to accurately assess their individual profitability. Simultaneously, there is a clear need to improve product delivery through competitive transfer-price mechanisms across various sectors. While both statements are factually correct within the context of banking reforms, the need for better delivery systems does not provide a direct causal explanation for treating branches as separate business units.

71. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Modern banking requires a workforce that takes personal responsibility for their own learning and development. This is because constant skill acquisition has become a primary source of competitive advantage in a rapidly changing market. The reason correctly explains the assertion; since knowledge is the key driver of success, employees must be proactive learners to ensure the organization remains efficient and competitive.

72. (A) Both I and II
Banks have implemented Centralized Core Banking Solutions (CBS) to maximize technology benefits, despite the significant capital investment

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CHAPTER 14
Training Methodology

May/June 2005

1. Arrange the following skill development milestones in chronological order:

I. Foundation stone of the first-ever Indian Institute of Skills laid in Kanpur.
II. National Apprentice Promotion Scheme (NAPS) notified.
III. Pradhan Mantri Kaushal Vikas Yojana (PMKVY) launched.
IV. First edition of 'IndiaSkills Competition' inaugurated.

Which of the following sequences represents the correct chronological order?

(A) III, IV, II, I
(B) III, II, IV, I
(C) IV, III, I, II
(D) I, III, II, IV

Oct/Nov 2014

2. Identify the incorrect pair connecting a training method to its respective demerit.

(A) Job Rotation Method – May lead to a significant discontinuity of specialized talents and a lack of depth in a particular field.
(B) Understudy Method – Breeds significant demotivation among other subordinates if the wrong individual is selected for the role.
(C) Mentoring Method – Causes hostility because the mentor formally evaluates the mentee's performance for salary and promotion.
(D) Coaching Method – Trainees may lack innovative capabilities if the trainer imposes their own rigid beliefs and personal work habits.

May/June 2023

3. Match the Government of India skill development initiatives in List I with their corresponding features or targets in List II.

List I: Skill Development Initiatives

P. Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
Q. National Apprentice Promotion Scheme (NAPS)
R. Directorate General of Training (DGT) MoU with Open Schooling
S. IndiaSkills

List II: Features or Targets

1. Provides pathways for ex-trainees of ITI to earn secondary/senior secondary qualification.
2. Flagship outcome-based skill training scheme implemented through NSDC.
3. National competition steered by MSDE to select talent for WorldSkills International Competition.
4. Focuses on sharing 25% of prescribed stipend subject to a maximum of Rs. 1500 per month per apprentice.

(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2009

4. A group of bank executives is presented with an unwritten scenario involving an irate corporate client and a compliance failure. The executives spontaneously act out the situation, projecting themselves into the managerial roles to understand the human conflict involved. Which training technique is this?

(A) Simulation
(B) Management Games
(C) Role Playing
(D) In-basket Exercises

May/June 2018

5. Emotional contracting in the context of organisational performance refers to:

(A) A legally binding agreement between an employer and employee regarding performance targets.
(B) Providing a platform for trust and subsequent skills development relevant to managing higher responsibilities.

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banking sector through mergers and privatization of select institutions.

81. (A) Three-tiered approach of training strategy
A curriculum that sequences knowledge of regulatory norms, practical simulations, and motivational workshops exemplifies a three-tiered training strategy. This approach addresses the different dimensions of employee performance: cognitive (knowledge), functional (skills), and behavioral (attitudes). By covering all three areas, the organization ensures that staff are not only technically competent but also aligned with organizational values and standards of professional conduct.

82. (C) Class Banking
Moving away from serving a small, elite clientele to promoting generalized retail products for a vast population represents a shift away from 'Class Banking'. Class banking focuses on niche, high-value customers, whereas 'Mass Banking' seeks to achieve high business volumes through a broader customer base. This transition is often driven by declining interest spreads and the need to expand market reach in a competitive environment.

83. (A) November 2020
The XIth Wage Accord was concluded in November 2020. This agreement was significant because it introduced Performance-Linked Incentive (PLI) norms in the banking sector. By linking wages and incentives to organizational performance, the accord aimed to drive efficiency and accountability among employees. This move reflects the broader trend in Indian banking toward merit-based compensation and the modernization of industrial relations policies.

84. (B) Generating systems and structures to provide information for future generation banks.
As banking services expand and diversify, a key challenge is generating the required systems and structures to provide essential information for future-generation banks. This involves creating robust IT frameworks and delivery models that can handle increased complexity and volume. Ensuring that these technological structures are in place is critical for supporting growth and maintaining the efficiency of the overall financial system.

85. (D) Knowledge-based economy
The transition to a "Knowledge Century" marks a fundamental shift from a product-based industrial economy to a knowledge-based economy. In this new era, information, expertise, and continuous learning are the primary drivers of economic value and competitive advantage. For the banking sector, this means that human capital and intellectual resources become more important than physical infrastructure for achieving long-term success and growth.

86. (B) Mass Banking compromises quality lending to achieve high volumes.
Mass Banking aims to increase business volumes by serving a large population, but it does not strictly demand compromising the quality of lending. Instead, it leverages technology and standardized retail products to maintain high volumes efficiently. While interest spreads may thin, the goal is to increase business quantity while still adhering to necessary risk management and prudential norms to ensure financial stability.

87. (D) Multichannel systems using branches, cards, and mobile services.
The identified delivery model at the grass-root level is a multichannel system that combines physical branches with digital interfaces like cards and mobile services. This approach allows banks to reach a diverse population across different geographic areas efficiently. By integrating various channels, banks can provide accessible and convenient services while optimizing their operational reach and addressing the needs of both urban and rural customers.

88. (D) Demonetization of higher denomination currency notes
The 2016 demonetization of higher denomination currency notes was a major structural reform aimed at curbing black money and pushing for 'less-cash' transactions. This initiative encouraged the rapid adoption of digital payment systems and electronic banking. By reducing the reliance on physical cash, the reform sought to increase transparency in the financial system and accelerate the transition toward a digital economy.

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required. This technological shift has also forced banks to undergo Business Process Re-engineering (BPR) to review and update outdated systems and procedures. Both actions are necessary to ensure that technology is effectively absorbed and results in improved operational efficiency and better customer service delivery across all locations.

73. (A) Only I
Traditional personal contact is increasingly being replaced by faster and cheaper communication methods in modern banking. However, basic electronic banking is not limited to services within physical branches; it extends to various remote channels like internet and mobile banking. Therefore, while the first statement accurately describes the shift in communication, the second statement incorrectly restricts the scope of modern electronic banking services.

74. (A) Only I and II
GenNext banking features customized web pages for product selection and emphasizes internet and tele-banking for tech-savvy users. These elements reflect a digital-first approach to retail banking. However, the concept is built on a long-term relationship starting from birth, but it is not intended to terminate upon employment; instead, it evolves to offer professional and investment products suited to the customer's working life.

75. (A) HR issues in creating an accountable workforce
Offering all financial products under one roof requires a highly skilled and adaptable workforce. Assessing skill requirements to nurture such a workforce highlights the prominence of HR issues in creating an accountable and competent staff. This strategic focus ensures that employees are not only technically proficient but also capable of delivering diverse services efficiently, which is critical for the success of universal banking models.

76. (D) Single Window
The Single Window concept involves integrating systems to allow customers to access all banking services efficiently at one point. By processing transactions in real time across multiple channels and locations, banks eliminate the need for customers to visit different counters or departments. This initiative enhances customer convenience and reflects the modern shift toward seamless, technology-driven service delivery in the retail banking sector.

77. (C) P-2, Q-3, R-4, S-1
GenNext banking requires systems that generate information for operations. The delivery structure for the financial system involves choosing between universal banking or collaborative routes. The grass-root delivery model utilizes multichannel systems like branches and mobile services. Finally, HR issues gain prominence through the assessment of skill requirements to nurture the workforce. These matches illustrate the multifaceted challenges faced by modern banking institutions.

78. (C) Corporate Governance
Inducting professionally qualified individuals into a bank's Board is a move aimed at enhancing Corporate Governance. This practice ensures that the bank's leadership has the expertise and independence required for ethical and effective oversight. Good corporate governance improves transparency, accountability, and decision-making, which are essential for maintaining public trust and ensuring the long-term stability and success of the institution in a competitive market.

79. (A) Only I, II, and IV
Electronic commerce includes forms like e-shops and e-exchanges, while electronic purses serve as non-cash payment instruments. Re-orientation in management involves expanding the use of IT and knowledge systems. However, electronic banking does not eliminate the need for security; in fact, it increases the necessity for robust security measures to protect data transfer and prevent unauthorized access to sensitive financial information.

80. (B) The State Bank of India merger was declared a failure, halting consolidation.
The consolidation of the State Bank of India with its associate banks was a major initiative, and it was not declared a failure; rather, it was part of a broader strategy to create single-digit large public sector banks. Other consolidations, like Syndicate Bank merging into Canara Bank, have also proceeded. The goal is to strengthen the

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97. (A) P-2, Q-4, R-1, S-3
Mass Banking focuses on increasing business volumes without compromising lending quality. Class Banking is the traditional model serving niche, high-value clients. GenNext Banking provides life cycle products from birth until death to build long-term relationships. 'One Nation - One Tax' is the underlying theme of the Goods & Services Tax (GST). These concepts illustrate the evolving strategic priorities and regulatory environment of the modern Indian financial landscape.

98. (A) Only I, II, and III
E-learning transcends classroom limitations, and the Indian financial sector remained stable during global crises. GenNext models utilize demographic transitions for growth. However, moving from Class to Mass Banking does not strictly demand compromising quality lending; it requires better technology and standardized products to manage higher volumes safely. Therefore, the first three statements accurately describe the current banking and learning environment, while the fourth statement is incorrect.

99. (A) Only I and III
Timely adoption of technology is critical for market leadership, and the need for organizations to transform into learning organizations is increasingly apparent. While traditional training colleges are still important, they are not the only acceptable method of imparting knowledge; E-learning has become a significant and effective alternative. Therefore, the statements regarding technology and the learning organization are correct, while the claim about training colleges is inaccurate.

100. (C) Anti-money laundering measures
Protocols to track complex financial transactions are implemented to comply with Anti-money laundering (AML) measures. These laws are designed to prevent criminals from disguising the illegal origin of their funds. By monitoring and reporting suspicious activities, banks play a crucial role in international efforts to combat financial crimes and maintain the integrity of the global financial system against illegal conversion of proceeds.

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89. (A) Skill levels in sales, service operations, and risk management.
Enriching human capital is a strategic necessity to strengthen skill levels in critical areas such as sales, service operations, and risk management. A knowledgeable and skilled workforce is essential for navigating the complexities of a modern economy and delivering sophisticated financial products. By focusing on these core competencies, banking institutions can improve their competitive position, ensure better customer service, and manage risks more effectively.

90. (D) GenNext
Offering automated savings accounts that transition into student and home loans based on the patterns of a young population is a key feature of the GenNext banking dimension. This approach focuses on capturing customers early in their lives and maintaining a long-term relationship by providing financial products that match their evolving needs. It leverages demographic transitions to build a loyal and sustainable customer base.

91. (A) Only I, III, IV, and V
Training is used to judge promotion suitability, and mystery shopping identifies service gaps. Participative workshops change attitudes, while the Securitization Act facilitates asset recovery. However, the definition of training and learning is reversed in the second statement; training is an organizational activity for job skills, whereas learning is the human process of growth and behavior modification. Therefore, other statements correctly reflect banking and training concepts.

92. (D) The medium of E-learning and Knowledge Transfer
For a diverse and geographically spread workforce, E-learning and Knowledge Transfer hold immense promise. This medium transcends the limitations of time and space, allowing for the efficient and consistent delivery of operational knowledge to all staff. Unlike traditional classroom methods or printed manuals, E-learning provides an interactive and scalable platform that can be updated quickly to reflect changes in regulations or technology.

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93. (C) P-2, Q-3, R-4, S-1
The E-learning mantra is centered on Knowledge Transfer. E-shops and e-exchanges represent basic forms of electronic commerce. Multipurpose payment cards act as an electronic purse for non-cash transactions. Modern classrooms today are designed to transcend traditional limitations of time and space. These tools reflect the ongoing technological transformation that is reshaping how knowledge is delivered and how financial transactions are conducted globally.

94. (A) P-2, Q-4, R-1, S-3
The Narasimham Committee recommended reducing the number of Public Sector Banks. The International Financial Standards Committee focuses on on-site and off-site monitoring of risk profiles. Training and development was predicted to be a fast-growing industry as industrial workers were replaced by knowledge workers. Finally, the abolition of Recruitment Boards gave banks the freedom to independently hire staff and professionals at various levels.

95. (B) Required privacy and security of data transfer.
In a modernized banking environment where physical counters are replaced by self-service zones and e-mail banking, customers will only use services that guarantee privacy and security. The protection of sensitive financial data is a fundamental requirement for building trust in digital channels. Without robust security protocols, electronic banking services cannot attract and retain customers who are increasingly concerned about data breaches and financial fraud.

96. (D) Training colleges have never played a significant role in imparting education in the industry.
Traditional staff training colleges have historically played a vital role in imparting education and functional skills within the banking industry. While 'Knowledge Transfer' and E-learning are gaining acceptance and revolutionizing distance education, it is incorrect to say that training colleges were never significant. They have been the backbone of human resource development, providing the necessary theoretical and practical foundation for generations of bank employees.

(C) The process of resolving interpersonal conflicts strictly through union mediation.
(D) Compensating employees financially based on their emotional intelligence scores.

Oct/Nov 2025

6. Match the Off-the-Job training methods in List I with their specific descriptors in List II.
List I: Training Methods
P. Simulation
Q. Brainstorming
R. Sensitivity Training
S. Case Study
List II: Descriptors
1. A group attempts to find a solution by freely amassing spontaneous ideas with evaluation deferred to a later stage.
2. Training conducted on a duplicate environment mimicking a real-life situation where decisions have a reversible effect.
3. Involves trainees studying a business situation to appraise it thoroughly and present analytical solutions.
4. Also known as T-group training, it provides maximum opportunity to expose behaviour and develop self-awareness without a formal agenda.
(A) P-2, Q-1, R-4, S-3
(B) P-3, Q-4, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-3, R-4, S-1

May/June 2011

7. NIS Sparta is a leading training, education, and learning solutions provider in India. Which group organisation does it belong to?
(A) Tata Consultancy Services
(B) Reliance ADA group
(C) Shriram group
(D) Cisco Systems

Oct/Nov 2016

8. Match the On-the-Job training methods in List I with their distinct characteristics in List II.
List I: Training Methods
P. Coaching Method
Q. Understudy Method
R. Mentoring Method
S. Job Rotation Method
List II: Characteristics
1. Implies learning by doing and requires least centralised co-ordination, but the trainer may impose personal work habits.
2. A person is assigned tasks in various departments at given intervals to broaden their skill base.
3. Aimed at providing a person who is going to assume the duties of a position currently held by their superior.
4. Focuses on professional and personal growth outside of a line manager-employee relationship.
(A) P-1, Q-3, R-4, S-2
(B) P-3, Q-1, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-1, Q-4, R-3, S-2

May/June 2020

9. A junior executive is given sole responsibility to study a critical problem regarding branch profitability, prescribe solutions, and recommend project viability. The executive operates without constraints from superiors to exhibit talent and independent decision-making. Which training method is being employed?
(A) Apprenticeship Programmes
(B) Special Projects
(C) Mentoring
(D) Transactional Analysis

Oct/Nov 2007

10. A commercial bank is restructuring its employee development framework to transition into a true 'Learning Organisation'. In this pursuit, the bank's top management wants to foster a specific cultural trait across all departments. Which of the following approaches best aligns with this objective?
(A) Centralizing all organizational decision-making processes to maintain a stable state of daily bank operations.
(B) Ensuring that only top-level executives and senior managers participate in continuous knowledge acquisition programs.
(C) Establishing open and frank communication channels that operate vertically, horizontally, and cross-sectionally.
(D) Adhering strictly to traditional bureaucratic models of structure and highly formalized chains of command.

May/June 2014

11. Read the following statements regarding the Brainstorming technique:

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I. The process requires immediate critical evaluation of each idea to ensure quality over quantity.
II. The process involves participants giving free and frank ideas regardless of limitations.

Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2022

12. Which statement accurately reflects a prominent view regarding the most important skill for the 21st century?
(A) The most important resource is capital and land, combined with human labour.
(B) Organisations must focus strictly on conventional skills training to build maturity.
(C) The only skill that will be important is the skill of learning new skills.
(D) Corporate training programs must be synonymous with long duration offsite programs.

May/June 2009

13. Which of the following pairs is correctly matched regarding the differences between Coaching and Mentoring?
(A) Coaching – Relationship is finite and ends when an individual transfers to another job.
(B) Coaching – Relationship crosses job boundaries.
(C) Mentoring – Focuses on developing individuals within their current jobs.
(D) Mentoring – Manager initiated to ensure tasks are performed to the best abilities.

Oct/Nov 2011

14. Which of the following represents the most appropriate description of an organisation's core competence?
(A) The total amount of financial capital and tangible physical assets accumulated by the organisation over at least a decade.
(B) The total number of physical training campuses built to conduct specialized off-the-job training for current staff members.
(C) The quantum of individual and collective learning and the value addition it creates for the organisation.
(D) The exclusive use of external academic faculty and visiting industry experts for all executive leadership development programs.

May/June 2021

15. In-basket exercises primarily aim to simulate and evaluate which of the following managerial capabilities?
(A) Analyzing long-term strategic investments in international capital markets and diverse financial instruments.
(B) Operating complex heavy machinery and industrial equipment safely to avoid potential workplace hazards.
(C) Memorizing historical organizational charts and traditional bureaucratic structures of various public sector banks.
(D) Prioritizing various administrative problems by responding to incoming mail and simultaneous operational incidents.

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Oct/Nov 2006

16. Read the following statements regarding the first-ever Indian Institute of Skills:
I. The foundation stone was laid in Kanpur on December 19, 2016.
II. It was conceptualized inspired by the technical education model of Singapore.

Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2017

17. Which renowned institution developed the Case Study method of training frequently employed in executive development?
(A) Harvard Business School
(B) National Training Laboratories
(C) All India Management Institute
(D) Administrative Staff College of India

Oct/Nov 2015

18. Read the following statements regarding the National Apprentice Promotion Scheme (NAPS):
I. The scheme targets increasing the engagement of apprentices to 50 lakh cumulatively by 2020.
II. The government supports Rs. 7500 for a

maximum of 500 hours for basic training.
III. The engagement of fresher apprentices shall be 10% of the total annual target.

Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2013

19. Read the following statements regarding the Mentoring Method:
I. It is career-focused or focuses on professional development outside a mentee's area of work.
II. The relationship tends to be initiated and driven solely by an individual's manager.
III. It links employees with valuable knowledge and information.
IV. It continuously promotes individual employee growth and development.
V. It involves conducting performance reviews of the mentee.

Which of the above statement(s) is/are correct?
(A) I, II, and IV
(B) I, III, and IV
(C) II, III, and V
(D) I, IV, and V

Oct/Nov 2024

20. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Performance and capability in an organisation are completely independent of people's attitude and emotional maturity.
Reason (R): True motivators, such as real extra responsibility and recognition, are the fuel for people's growth and change.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

21. Ten branch managers are placed in a room without any formal agenda. The trainer points out instances where the trainees display stress, aiming to develop their tolerance for others' views, reduce prejudice, and improve listening skills. What type of training is being conducted?
(A) Brainstorming
(B) In-basket Exercise
(C) Sensitivity Training
(D) Management Games

Oct/Nov 2019

22. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): The Ministry of Skill Development and Entrepreneurship (MSDE) has benchmarked standards of 82 job roles with UK standards.
Reason (R): The benchmarking was done to ensure that Indians are equipped with the skills to be employed not only domestically but also overseas.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

23. All of the following are essential features of a 'Learning Organisation' EXCEPT:
(A) It is a place where high quality human learning goes-on on a continuous basis.
(B) It endeavours to unlearn old and obsolete knowledge to acquire new knowledge.
(C) It disseminates learning and shared knowledge and vision throughout the organisation.
(D) It aims to maintain the company in an organized, stable state permanently.

Oct/Nov 2008

24. Committee assignments are a useful on-the-job training method; however, they may NOT be effective in bringing rapid executive development and leadership abilities primarily because:
(A) The assigned study team evaluates organizational problems but is not permitted to submit any formal written reports.
(B) They require the executives to be placed

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(B) II, III, I
(C) III, I, II
(D) II, I, III

May/June 2019

37. Read the following statements regarding the characteristics of Sensitivity Training:
I. A small group consisting of not more than 10 or 12 trainees.
II. The group begins its activity with a rigid and highly formal agenda.
III. It aims to develop introspection and self-examination with an emotional level of involvement.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

Oct/Nov 2020

38. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Knowledge in the mobile environment is created by transforming the traditional knowledge value chain into a knowledge ecology.
Reason (R): Within a knowledge ecology, each component is interrelated with every other element endlessly, differentiating innovative product development.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

39. Identify the incorrect pair linking a training type to its typical content.
(A) Safety Training – Practical advice for avoiding assaults and handling repetitive activities safely.
(B) Quality Initiatives – Total Quality Management and benchmarking guidelines.
(C) Sexual harassment Training – Explaining the organisation's policies about inappropriate behaviours.
(D) Subject specialization Training – Developing public speaking and team building skills for entry-level clerks.

Oct/Nov 2010

40. Read the following statements regarding the philosophy of Transactional Analysis (TA):
I. People are OK; each person has validity, importance, and equality of respect.
II. Positive reinforcement increases feelings of being OK.
III. All emotional difficulties are curable.
IV. People's destiny is entirely predetermined and cannot be changed.
Which of the above statements is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

NODIA

May/June 2015

41. Match the components of Talent in List I with their corresponding conceptual definitions in List II.
List I: Component of Talent
P. Competence
Q. Commitment
R. Contribution
S. Talent
List II: Conceptual Definition
1. The visible face of Human Resource.
2. Deals with the heart (doing it well).
3. Deals with the head/mind (being able to do).
4. Deals with hands and feet (action).
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-1, Q-2, R-4, S-3
(D) P-3, Q-2, R-4, S-1

Oct/Nov 2005

42. Match the Transactional Analysis (TA) Life Positions in List I with their psychological implications in List II.
List I: Life Positions
P. I'm OK and you are OK
Q. I'm OK and you are not OK
R. I'm not OK and you are OK
S. I'm not OK and you are not OK
List II: Psychological Implications
1. Feels good about self but sees others as damaged or less than; usually not healthy.

competencies for forging ahead with change of times.

Which of the above statements are correct?

(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, III, and IV

May/June 2012

31. Which of the following statements regarding the Parent-Adult-Child (PAC) ego-state model is correct?

(A) The three ego states are identical to other psychological models of self.
(B) The ego states are strictly determined by the chronological age of the person.
(C) The ego states have nothing to do with chronological age and are based on real-world behaviour.
(D) A healthy person remains fixed in one ego state and cannot move to another.

Oct/Nov 2013

32. A new generation bank introduces a suite of advanced wealth management and bancassurance products. The traditional internal training staff lacks the specialized expertise to train employees on these new offerings. According to current trends, what is the most appropriate action the bank will take?

(A) Depend exclusively on the Understudy method.
(B) Outsource training to specialized trainers and agencies.
(C) Send all employees for an indefinite Apprenticeship.
(D) Assign Committee Exercises to the untrained employees.

May/June 2006

33. Under the ego-state models of Transactional Analysis, how is the 'Adult Ego state' defined?

(A) A state in which people behave in response to an unconscious mimicking of their parents.
(B) A state similar to an information processing system that is rational, logical, and flexible to change.
(C) A state characterized by crying, pouting, recreation, and spontaneity, acting similarly to how they did in childhood.
(D) A state where a person unconsciously accepts abuse as OK.

Oct/Nov 2017

34. A tech company observes that its Gen-Y workforce thrives on constant praise and wants an accelerated timetable for advancement. To successfully manage their performance, which strategy should the HR department adopt?

(A) Delay all constructive performance feedback until a single, formal annual review conducted by the senior department head.
(B) Implement a rigid, seniority-based hierarchical system where formal promotions and rewards take a minimum of five years.
(C) Exclusively utilize traditional classroom-based instruction methods characterized by linear and non-interactive dissemination.
(D) Provide frequent, personalized opportunities to receive feedback and recognize accomplishments both privately and publicly.

May/June 2008

35. What is identified as a primary disadvantage of Computer Based Training (CBT) when applied to areas of knowledge that are ill-defined and subject to rapid change?

(A) Information is often simplified by removing nuance, making it ineffective when specific facts change rapidly.
(B) CBT systems require all learners to physically travel to specialized training institutions for overseen sessions.
(C) CBT platforms strictly prohibit the use of integrated multimedia, high-resolution graphics, and interactive video.
(D) CBT relies inherently on continuous face-to-face interaction between the student and instructor, which is costly.

Oct/Nov 2012

36. Arrange the three primary roles of the Talent Management function in Banks in their logical sequential order:

I. Talent Retention
II. Talent Acquisition
III. Talent Development

Which of the following represents the correct sequence?

(A) I, II, III

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information to support on-the-spot decisions with clients. Management implements a system of mobile 'widgets' to push alerts. This scenario exemplifies the intent of which concept?
(A) Traditional Knowledge Management (KM)
(B) Sensitivity Training
(C) Mobile Knowledge Management (KM mobile)
(D) Apprenticeship

May/June 2020

51. Read the following statements regarding the key challenges banks face in imparting training:
I. They must deal with a vast network of branches and wide geographical distribution.
II. They face a rapidly changing environment and fast changing technology.
Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2007

52. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Transactional Analysis (TA) claims to offer a theory of psychopathology.
Reason (R): TA is based on the idea of a "Childhood Script," assuming that individuals continue to re-play childhood strategies even when they result in pain or defeat.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

53. A corporate university is upgrading its digital infrastructure. It requires a system that works hand in hand with a database to store course content, test results, and student records, providing an interface to add, update, and delete data securely. Which specific technology is being described here?
(A) HTML editors
(B) Video conferencing whiteboard
(C) Content Management System (CMS)
(D) Instant messaging

Oct/Nov 2022

54. Read the following statements regarding the general benefits of employee training conducted by supervisors:
I. Increased job satisfaction and employee motivation.
II. Increased efficiencies in processes, resulting in financial gain.
III. Increased employee turnover to bring in fresh talent constantly.
Which of the above statement(s) is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2009

55. Match the Web-Based Training elements in List I with their descriptions in List II.
List I: Training Elements
P. Synchronous learning
Q. Asynchronous learning
R. SharePoint
S. Blackboard and Angel
List II: Descriptions
1. Self-directed training with no instructor facilitating the course.
2. Primarily used by higher education institutions allowing managers to create training modules.
3. Uses instructor-led facilitation in real-time.
4. An intranet platform used by some companies to store training videos and materials.
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4
(C) P-4, Q-2, R-1, S-3
(D) P-3, Q-4, R-1, S-2

NODIA

Oct/Nov 2011

56. An employee constantly feels inadequate, seeing themselves as the weak partner in relationships, while viewing all their colleagues as definitely better and more competent. Which life position under Transactional Analysis does this represent?
(A) I'm not OK and you are OK
(B) I'm OK and you are OK

2. The healthiest position; feels good about self and others' competence.
3. The worst position; believes self is in a terrible state and the rest of the world is as bad, leaving no hope.
4. Sees self as the weak partner and will unconsciously accept abuse as OK.

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2005

43. Identify the incorrect statement regarding Learning Management Systems (LMS) in corporate training.
(A) LMS can provide 24X7 flexi-time training to users who are geographically dispersed.
(B) Conformance to leading e-Learning standards prevents LMS from using content from third-party vendors.
(C) LMS integration with other enterprise applications ensures there is no redundancy of data.
(D) LMS enables tracking of test scores and other statistics for instant feedback.

Oct/Nov 2014

44. Read the following attributes regarding e-learning:
I. Convenience and Flexibility
II. Potential Social Isolation
III. Compromised Communication Skills
IV. Time-Management Skills
V. Absence of Face-to-face Interaction
Which of the above accurately lists the ADVANTAGES of e-learning?
(A) I, II, and IV
(B) I and IV
(C) I, III, and V
(D) II, III, and V

May/June 2023

45. Which premier Nationalized Bank devised a 2-3 days soft skills training programme titled 'MANTHAN' covering all its staff members?
(A) State Bank of India
(B) Union Bank of India
(C) Central Bank of India
(D) Bank of Baroda

Oct/Nov 2009

46. Transactional Analysis (TA) is a theory used to develop better interpersonal interactions. Which psychotherapist originally developed this theory?
(A) Kurt Lewin
(B) Eric Berne
(C) Peter Drucker
(D) Osborn

May/June 2018

47. How is "Career Advancement" best defined in the context of retaining workers from multiple generations?
(A) It strictly implies a vertical promotion within the bank hierarchy accompanied by a change in formal title and office space.
(B) It includes non-traditional opportunities such as advancement by job role, lateral job rotations, and project responsibilities.
(C) It is a static, pre-determined timetable of periodic salary increases tied purely to the chronological age of the worker.
(D) It refers exclusively to the process of moving an employee from on-the-job training to specialized off-the-job facilities.

Oct/Nov 2025

48. In a workplace interaction, a 45-year-old manager scolds a 50-year-old subordinate for a minor error, displaying a purely authoritative and nurturing yet critical tone similar to a father scolding a toddler. Which ego-state is the manager currently manifesting?
(A) Child Ego state
(B) Parent Ego state
(C) Adult Ego state
(D) Historical Ego state

NODIA

May/June 2011

49. To fill the skills gap, which Indian technology companies have built massive training campuses in Mysore and Thiruvananthapuram, respectively?
(A) Infosys and Tata Consultancy Services (TCS)
(B) Wipro and HCL
(C) Tech Mahindra and Cognizant
(D) Cisco and NIS Sparta

Oct/Nov 2016

50. Field employees of an insurance firm require immediate access to mission-critical corporate

in an artificially stimulated off-the-job atmosphere lacking real pressure.
(C) They often involve frequent and disruptive geographical transfers that cause extreme personal inconvenience to staff.
(D) The committee approach leads to a lack of individual responsibility and accountability for specific tasks and failures.

May/June 2022

25. An assistant manager in a regional bank is specifically selected to handle a complex project closely related to the branch manager's daily duties, with the direct objective of preparing the assistant manager to take over when the branch manager retires next year. Which training method is primarily being utilized here?
(A) Job Rotation Method
(B) Understudy Method
(C) Sensitivity Training
(D) Committee Assignments

Oct/Nov 2023

26. What is the definition of a 'Learning Organisation'?
(A) An organisation that relies primarily on classroom-based instruction and rote memorization to update its knowledge.
(B) An organisation proficient at outsourcing its diverse training functions to specialized external educational agencies.
(C) An organisation that focuses exclusively on traditional advancement and rigid seniority-based job rotations.
(D) An organisation skilled in creating, acquiring, and transferring knowledge to modify behaviour based on new insights.

May/June 2016

27. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Management Games help enhance team cohesiveness, analytical skills, and human relationships.
Reason (R): In Management Games, different teams compete under hypothetical conditions, and the trainer provides feedback after every period, allowing teams to evaluate and modify their decisions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

28. Which of the following statements regarding the differences between conventional skills training and the development of a learning organisation is incorrect?
(A) Conventional skills training automatically develops the maturity and belief systems essential for strategic capabilities.
(B) Conventional skills training provides employees with new technical methods and specialized techniques required for specific tasks.
(C) Learning organisations actively encourage the unveiling of creative ideas and innovative solutions to gain competitive advantage.
(D) The learning need represents the quantitative gap between the required competencies and actual competencies possessed by staff.

May/June 2007

29. What is the definition of Apprenticeship in the context of on-the-job training?
(A) A classroom simulation exercise where executives compete to achieve a given objective.
(B) A process where an executive is assigned a special project involving heavy responsibility without supervision.
(C) A method where a trainee is put under the supervision of an experienced person to learn a craft or profession.
(D) A technique designed around the 'incoming mail' of a manager on a typical working day.

Oct/Nov 2021

30. Read the following statements regarding the essential features of a Learning Organisation:
I. It is a different kind of social system than dominant organisational theory concepts.
II. Its objective to transform is to learn, grow, and change, opposed to bureaucratic models.
III. It keeps the company in a state of constant change.
IV. Its ultimate objective is to develop core

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(C) I'm OK and you are not OK
(D) I'm not OK and you are not OK

May/June 2021

57. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Gen-Y workers prefer to receive and act on information in a linear fashion, focusing on one source at a time.
Reason (R): Millennials are multi-taskers who prefer to receive information quickly and from multiple sources in real time.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

58. In the study of ego states, there are four recognized types of diagnosis. Which of the following is NOT one of those types?
(A) Physiological diagnosis
(B) Behavioural diagnosis
(C) Social diagnosis
(D) Historical diagnosis

May/June 2017

59. Which of the following pairs correctly matches the Type of Training with its central focus?
(A) Ethics Training – Instructing employees on how to operate heavy equipment and handle various hazardous chemicals.
(B) Human relations Training – Enhancing computer skills and software proficiency for routine administrative tasks.
(C) Diversity Training – Explaining how people have different perspectives and techniques to value those unique differences.
(D) Induction Training – Providing advanced strategic decision-making and risk management frameworks for Senior Executives.

Oct/Nov 2015

60. The presence of a consistent instructor in an e-learning environment is emphasized to achieve which critical outcome?
(A) To eliminate the functional requirement for a digital Learning Management System or web-based interface.
(B) To ensure students are tracked and given proper, encouraging feedback throughout the duration of the learning process.
(C) To guarantee that the technology bandwidth requirement for the course is lowered for all remote participants.
(D) To enforce rigid login times for asynchronous learning modules to ensure all employees participate at the same time.

May/June 2013

61. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): While acquiring fresh talent from external job markets is important, banks cannot afford to undermine or ignore the capabilities of home-grown talent.
Reason (R): Ignoring home-grown talent and relying solely on external talent may breed discontentment among inside talents and cause avoidable damage to the institution.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

Oct/Nov 2024

62. Read the following statements regarding Return on Investment (ROI) on training:
I. ROI is calculated as ((Total Benefit - Total Costs) / Total Costs) x 100.
II. Total benefits include money saved by the organisation, money made, and anything that adds directly or indirectly to the bottom line.
Which of the above statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2025

63. In the context of hiring talent, what does the phrase "Fastest finger first" refer to?

(A) The necessity for hiring managers to speed up their recruitment process due to a sharp drop in offer acceptance and joining ratios.
(B) The requirement for all newly hired bank employees to possess advanced touch-typing skills and modern computer processing speeds.
(C) The rapid deployment of mobile Knowledge Management widgets and digital alerts to the personal devices of existing bank employees.
(D) The exclusive and mandatory use of digital gamification techniques during the formal induction process of all new generation employees.

Oct/Nov 2019

64. Achieving "Attitudinal Change" through training conceptually requires:
(A) A strict and punitive approach focusing primarily on reprimanding technical errors and identifying individual employee failures.
(B) Eliminating all formal instructor-led feedback to ensure that trainees are forced to self-correct their own work autonomously.
(C) Altering reinforcements, engaging in rational discussion, and providing current information to employees on an ongoing basis.
(D) Providing only stable and well-defined technical facts that do not require any subjective interpretation or interpersonal skill.

May/June 2010

65. Which demographic generation consists of those born roughly between 1947 and 1964?
(A) Gen X
(B) Baby Boomers
(C) Gen Y
(D) Gen C

Oct/Nov 2008

66. Identify the incorrect statement regarding Best Practices on On-Boarding.
(A) Organisations should ignore generational differences during on-boarding to ensure older workers adapt immediately.
(B) Effective talent management starts with an employee's first day on the job.
(C) Organisations should fine tune the on-boarding process by incorporating programs that specifically address generational differences.
(D) New-hire training programs may include targeted, hands-on training around technology to make older workers more comfortable.

May/June 2022

67. Public Sector Banks (PSBs) are experiencing a sudden shift of experienced and skilled officers to new generation private banks. These private banks are primarily targeting these specific employees because:
(A) They require significant and heavy long-term investments in basic induction training and rudimentary skill development.
(B) They exclusively demand non-financial rewards and emotional recognition rather than more lucrative monthly pay packages.
(C) They are 'made-ready to work' individuals, saving the new entities large sums of money on extensive training and mentoring.
(D) They possess only generalized administrative knowledge with no specialized banking experience or technical financial skills.

Oct/Nov 2023

68. Identify the INCORRECT statement regarding contemporary views on generational differences.
(A) Period effects are about events and times that alter everyone, such as the social impact of a historical jump or a terrorist attack.
(B) The smartphone has permanently and completely entrenched generational divides into distinct physical spaces that are understood immediately.
(C) Life effects are about how people tend to change in a uniform way as they age, such as gaining weight as their natural metabolism slows.
(D) Cohort effects are what actually differentiate generations and are shaped by the specific way an entire group has been socialized over time.

May/June 2016

69. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Evaluation of training is often undertaken at the lowest level through the

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measurement of trainee feedback sheets.
Reason (R): Short term priorities often crowd out longer term objectives, resulting in training evaluation not getting high priority.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

70. Read the following actions regarding leadership skill development:
I. Recognizing an error and admitting it openly.
II. Deflecting blame to the team to maintain the leader's image.
III. Taking responsibility for the failures of the team.
Which of the above actions represent the "Ability to accept failures"?
(A) I and II
(B) I and III
(C) II and III
(D) I, II, and III

May/June 2007

71. Which statement correctly identifies a feature of E-learning tools and technologies?
(A) A good LMS will often provide reporting tools to generate and store progress reports.
(B) E-learning completely eliminates the need for Database and Content Management System (CMS) technologies.
(C) Tools such as PowerPoint are strictly prohibited in creating e-learning content.
(D) E-learning limits communication exclusively to offline, printed message forums.

Oct/Nov 2021

72. A bank's corporate office aims to build a pool of "creative talents" for future Senior Management roles. To lead these talents effectively amidst high volatility and changing demographics, what specific capability must the Line Managers acquire?
(A) A rigidly static and uncompromising leadership style that strictly enforces traditional banking values and administrative rules.
(B) Dynamic leadership, which represents a judicious and balanced mix of Visionary, Thought, and Inspirational leadership styles.
(C) The strategic ability to eliminate all formal succession planning to promote a sense of healthy competitive anxiety among staff.
(D) The administrative capacity to outsource all internal talent development functions to prestigious foreign research institutes exclusively.

May/June 2012

73. At a new generation bank, new hires play online games simulating queue management and cheque clearing for hours before dealing with people. What is the primary operational benefit observed by the bank from this gaming exercise?
(A) It eliminates the future need for any internal IT infrastructure or digital banking support systems for newly trained employees.
(B) It allows the bank to legally avoid paying any salaries or stipends to employees during their mandatory initial induction period.
(C) It effectively prevents the new hires from interacting with older Generation X employees to maintain a youth-centric bank culture.
(D) It results in a tangible reduction in operational error rates and an improvement in overall employee productivity levels.

Oct/Nov 2013

74. A teenager accompanying a customer argues with a Branch Manager that the father should be able to operate a Safe Deposit Locker from a different branch due to "Anywhere Banking." Which generation's speed of thought, immersion in technology, and worldview does this highlight?
(A) Baby Boomers
(B) Gen X
(C) Gen C
(D) Gen Y

May/June 2006

75. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): ROI on training can effectively

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25. (B) Understudy Method
The understudy method involves selecting a specific individual to work closely with a superior to learn their job responsibilities. This technique is specifically designed for succession planning, ensuring that a trained person is ready to take over when the current role holder leaves or retires. The trainee gains practical experience by handling tasks under the guidance of the incumbent.

26. (D) An organisation skilled in creating, acquiring, and transferring knowledge to modify behaviour based on new insights.
A learning organization excels at generating and sharing knowledge to improve its performance and adapt to new challenges. It actively encourages employees to seek new insights and apply them to change their behaviors and processes. This continuous cycle of learning and modification ensures the organization remains competitive and capable of navigating the complexities of the modern business environment.

27. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Management games serve as effective training tools by simulating competitive business environments where teams make strategic decisions. The iterative process of decision-making and receiving feedback allows participants to evaluate their choices and modify their strategies. This hands-on approach enhances analytical skills, promotes team cohesiveness, and improves interpersonal relationships, as members must collaborate effectively to achieve their objectives.

28. (A) Conventional skills training automatically develops the maturity and belief systems essential for strategic capabilities.
Conventional skills training primarily focuses on the technical aspects of a job but does not necessarily foster the maturity or belief systems needed for strategic leadership. Developing a learning organization requires more than just technical proficiency; it involves changing mindsets and encouraging innovation. The gap between current and required competencies highlights the learning needs that organizations must address strategically.

29. (C) A method where a trainee is put under the supervision of an experienced person to learn a craft or profession.
Apprenticeship is a traditional on-the-job training method where a novice learns a specific trade or profession by working under the guidance of a skilled expert. This approach combines practical work experience with instruction, allowing the trainee to master the necessary technical skills and industry standards. It is widely used in technical and craft-oriented roles to ensure proficiency.

30. (D) I, II, III, and IV
Learning organizations represent a distinct social system that prioritizes growth and change over rigid bureaucratic stability. Their primary objective is to transform by continuously acquiring new knowledge and unlearning the obsolete. This creates a state of constant evolution, enabling the organization to develop core competencies that are essential for successfully navigating the shifts in the modern business landscape.

31. (C) The ego states have nothing to do with chronological age and are based on real-world behaviour.
In Transactional Analysis, the Parent, Adult, and Child ego states represent different psychological patterns of thinking and behaving. These states are not determined by a person's actual age but by their internal reactions and interactions with others. A healthy individual can flexibly move between these states depending on the situation, demonstrating behaviors that reflect rational thinking or emotional responses.

32. (B) Outsource training to specialized trainers and agencies.
When organizations introduce advanced products that exceed the expertise of their internal staff, outsourcing becomes a strategic necessity. By partnering with specialized external agencies or trainers, banks can ensure that their employees receive high-quality instruction based on the latest industry standards. This approach allows the organization to bridge the skills gap quickly and efficiently without overextending internal resources.

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May/June 2024

81. Which of the following is NOT an advantage of Web-Based Training?
(A) It is conveniently available to all employees on demand through the corporate intranet.
(B) It does not require expensive travel to physical training centers or external campuses.
(C) It always features a highly personal aspect and has no dependency on technical bandwidth.
(D) It can be highly cost efficient for organisations with a large and geographically dispersed workforce.

Oct/Nov 2010

82. Which statement correctly identifies a practice Banks have adopted as part of their Succession Planning function to manage talent internally?
(A) Conducting competency mapping on an on-going basis to ensure the bank fits the right specialized skills into the right job roles.
(B) Eliminating all multi-pronged internal strategies that were previously designed to allow for faster individual career growth.
(C) Relying entirely on external job markets and recruitment agencies whenever a senior management position becomes vacant in the bank.
(D) Decreasing the amount of need-based technical training to focus purely on providing financial incentives and cash bonuses to staff.

May/June 2015

83. A senior executive regularly studies Market strategies, conducts Cost-Benefit Analysis, and engages in fieldwork to discover new horizons for product innovation. This behaviour exemplifies which strategy to upgrade leadership skills?
(A) Coping with Constraints and Challenges
(B) Creating Passion
(C) Rewards & Motivation
(D) Imbibing creativity through Study & Research

Oct/Nov 2005

84. Read the following elements regarding the costs of a training program:
I. Learner's time away from primary duties.
II. Overhead of the training department and instructors.
III. Cost of job coverage during training.
IV. Web development or production for online courses.
Which of the above statement(s) should be included when calculating total costs?
(A) I and II
(B) I, II, and III
(C) II, III, and IV
(D) I, II, III, and IV

May/June 2005

85. Read the following statements regarding training the new generation (Gen Y):
I. Keep it Short
II. Make training entertaining
III. Deny mobile learning to force classroom attendance
IV. Allow freedom in scheduling
V. Encourage teamwork
Which of the above statements are recommended tips for training Gen Y?
(A) I, II, and IV
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

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Oct/Nov 2014

86. Which of the following is NOT listed as a method for speeding up talent acquisition?
(A) Minimising rounds of interviews.
(B) Combining interviewers as a panel.
(C) Expanding timelines for CV feedback to ensure extreme thoroughness.
(D) Slashing the time-to-on-board by buying-out notice periods where possible.

May/June 2023

87. During an economic recession, a company's CFO suggests eliminating employee training programs to save money. Why is this generally considered an inappropriate strategy?
(A) Training budgets are strictly mandated by the national government and cannot be altered or reduced even during a financial crisis.
(B) A lull in business can be used to prepare for future growth, as well-trained and capable employees always work more efficiently.
(C) Training exclusively benefits the external trainers, who will otherwise leave the company if their contracts are cancelled abruptly.

(D) External job markets always guarantee immediate access to fully trained replacement workers at significantly lower monthly costs.

Oct/Nov 2009

88. Developing "Constant Learning habits" for leaders conceptually implies that learning:
(A) A process that must cease once an individual reaches the top of the management hierarchy and achieves a senior leadership role.
(B) A lifelong process that keeps individuals in a dynamic state through modern, scientific, and innovative research methods.
(C) A process that should occur strictly in an individual's personal life and has no relevant application within a professional context.
(D) A process that only happens through formal university-level educational degrees and recognized certificates from external institutes.

May/June 2018

89. Match the sought results of training in List I with their measurement criteria in List II.
List I: Result of Training
P. Learning
Q. Behavioural Change
R. Performance Change
S. Attitudinal Change
List II: Measurement Criteria
1. Measured by gauging output per hour, sales made, or number of complaints.
2. Measured by pointing out inconsistencies by rational discussion and altering reinforcements.
3. Measured objectively using a test or exam to check if new skills or knowledge have been acquired.
4. Measured through observation before and after training to see if work behaviour meets desired criteria.
(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2025

90. Match the Generation in List I with its corresponding characteristic or timeframe in List II.
List I: Generation
P. Baby Boomers
Q. Gen X
R. Gen Y (Millennials)
S. Gen C
List II: Characteristic or Timeframe
1. Born roughly after 2001; fully intertwined with technology; often described as lacking face-to-face interaction.
2. Born roughly between 1982 to 2001; seek workplace flexibility, fast progression, and are multi-taskers.
3. Born roughly between 1947 and 1964; hard working, disciplined, and pious.
4. Born roughly between 1965 and 1981; impacted by social upheaval, less optimistic but more self-reliant.
(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2011

91. An HR department mandates junior managers hired for customer-facing functions to play interactive games managing savings accounts and queues. They cannot interact with actual customers until they achieve a certain proficiency in the game. What is the overarching purpose of this specific gaming exercise?
(A) To eliminate the future need for regular performance reviews and administrative oversight by the senior management team.
(B) To assess skills without interaction, drill them from day one, and create a high-quality experience for all bank customers.
(C) To legally bypass the mandatory compensation period and reduce the starting salaries for newly hired probationary staff.
(D) To shift the entire burden of technical employee training onto external hardware providers and software development firms.

Oct/Nov 2016

92. A company leverages mobile devices to push critical information, such as e-mail alerts and downloadable document links, to field employees triggered by specific events. This methodology represents a shift towards:
(A) Traditional classroom Management Development Programmes.
(B) Apprenticeship Act compliance monitoring.

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(C) Dynamic Mobile Environment and Mobile Knowledge Management (KM).
(D) The Understudy method for executive succession.

May/June 2020

93. Read the following statements regarding essential elements of creating successful online learning courses:
I. Consistent instructor presence to provide feedback.
II. A streamlined and well-designed LMS.
III. High quality and relevant content.
IV. Tested delivery methods ensuring compatibility across platforms.
V. Designing the course to appeal strictly to a single, visual learning style.
Which of the above statements are correct?
(A) I, II, and III
(B) I, II, III, and IV
(C) II, III, IV, and V
(D) I, III, IV, and V

Oct/Nov 2007

94. Which of the following is a correct statement regarding generational differences in the workplace?
(A) Gen Y employees are completely and fundamentally incapable of learning from colleagues who belong to older generations.
(B) Individual people never experience changes in their professional needs or interests over the entire course of their careers.
(C) Significant historical events, such as a global pandemic, can act as a period effect testing existing intergenerational theories.
(D) Sweeping group differences depending purely on chronological age are strongly supported by all modern social research studies.

May/June 2014

95. Read the following statements regarding the Talent Management function in Banks:
I. Talent Acquisition
II. Talent Development
III. Talent Retention
IV. Talent Outsourcing
Which of the above roles are part of the Talent Management function?
(A) I and II
(B) I, II, and III
(C) II, III, and IV
(D) I, III, and IV

Oct/Nov 2022

96. Read the following statements regarding tips for instructors to increase the effectiveness of an e-learning course:
I. Take time to research the subject material well before making it available.
II. Design the course to appeal to multiple learning styles.
III. Prevent open lines of communication to ensure students solve issues independently.
Which of the above statements is/are correct?
(A) I and II
(B) II and III
(C) I and III
(D) I, II, and III

May/June 2009

97. Which of the following best describes Transactional Analysis (TA)?
(A) A theory of personality and a systematic psychotherapy for personal growth and subsequent organizational change.
(B) A purely economic tool used by financial officers to calculate the ROI of employee training and development programs.
(C) A hardware system utilized by IT departments to manage online LMS content and store historical student records securely.
(D) A formal bureaucratic model of organisational structure that prioritizes rigid hierarchies over individual employee growth.

Oct/Nov 2011

98. Read the following statements regarding recognized types of employee training:
I. Communication
II. Customer service
III. Diversity
IV. Ethics
V. Sexual harassment
Which of the above statement(s) represent recognized types of training?
(A) I, II, and III
(B) I, II, III, and IV
(C) II, III, IV, and V
(D) I, II, III, IV, and V

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May/June 2021

99. Read the following statements regarding change in attitudes and behaviors over time:

I. Period effects are about events and times that alter everyone, like the impact of a historical jump or terrorist attack.

II. Cohort effects are what actually differentiate generations, shaped by how one has been socialized.

Which of the above statements is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2006

100. Identify the incorrect statement regarding the "Understudy Method" of on-the-job training.

(A) It is aimed at providing a person who is going to replace the existing superior.
(B) The learner's motivation and interest would generally be high.
(C) It may breed demotivation among other subordinates if a wrong person is selected as the trainee.
(D) The superior cannot delegate any part of the workload to the trainee under this method.

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ANSWERS

1. (A) III, IV, II, I
Skill development milestones in India follow a specific timeline starting with the launch of Pradhan Mantri Kaushal Vikas Yojana in July 2015. This was followed by the first IndiaSkills Competition in July 2016. Subsequently, the National Apprentice Promotion Scheme was notified in August 2016, and finally, the Indian Institute of Skills foundation stone was laid in Kanpur.

2. (C) Mentoring Method – Causes hostility because the mentor formally evaluates the mentee's performance for salary and promotion.
Mentoring typically focuses on professional and personal growth outside the formal line manager relationship, emphasizing long-term career development and support. Unlike coaching or direct supervision, mentors do not usually perform formal evaluations for salary or promotion. Such evaluative duties reside with direct supervisors, as formal appraisal by a mentor could undermine the trust necessary for a mentoring relationship.

3. (A) P-2, Q-4, R-1, S-3
India's skill development initiatives target specific outcomes through various frameworks. Pradhan Mantri Kaushal Vikas Yojana functions as a flagship outcome-based training scheme. The National Apprentice Promotion Scheme focuses on financial support for apprentice stipends. Cooperation between training directorates and open schooling provides academic pathways for ITI trainees, while IndiaSkills competitions identify top talent for global levels.

4. (C) Role Playing
Spontaneous acting within a training scenario allows individuals to project themselves into specific roles to better understand interpersonal dynamics and conflict. By simulating real-life situations without a script, participants experience the emotional and psychological aspects of managerial interactions. This method is particularly effective for developing soft skills, empathy, and effective communication when dealing with challenging professional scenarios.

5. (B) Providing a platform for trust and subsequent skills development relevant to managing higher responsibilities.
Emotional contracting focuses on building a psychological foundation of trust between the employee and the organization. It facilitates a deeper engagement where individuals feel valued beyond their technical output. This environment encourages the acquisition of advanced skills and prepares employees for increased responsibilities by aligning their personal growth and emotional maturity with the strategic performance goals of the enterprise.

6. (A) P-2, Q-1, R-4, S-3
Off-the-job training utilizes diverse methods to enhance professional competencies. Simulation mimics real-world environments for risk-free decision-making, while brainstorming encourages the free flow of creative ideas. Sensitivity training, or T-groups, focuses on self-awareness and interpersonal behaviors without a formal agenda. Case studies involve the deep analysis of specific business situations to develop critical thinking and problem-solving abilities.

7. (B) Reliance ADA group
NIS Sparta operates as a significant entity within the Reliance ADA group, providing comprehensive training and learning solutions across India. The organization specializes in enhancing corporate performance through education and specialized development programs. As part of a large conglomerate, it leverages extensive resources to deliver diverse learning initiatives that cater to various sectors, including banking and retail industries.

8. (A) P-1, Q-3, R-4, S-2
On-the-job training methods provide practical learning within the work environment. Coaching involves direct instruction where the trainer's habits influence the trainee. The understudy method prepares a specific individual to succeed

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a superior. Mentoring focuses on personal growth outside the direct reporting line. Job rotation systematically moves employees through different departments to broaden their overall skill set and perspective.

9. (B) Special Projects
Assigning special projects involves giving a trainee full responsibility for investigating a specific problem and recommending solutions. This method encourages independent thinking and the application of theoretical knowledge to practical, high-stakes scenarios. It allows the individual to demonstrate talent and decision-making capabilities without immediate supervision, effectively preparing them for future leadership roles and complex organizational challenges.

10. (C) Establishing open and frank communication channels that operate vertically, horizontally, and cross-sectionally.
Transitioning to a learning organization requires a culture that supports continuous knowledge exchange and collective growth. Establishing transparent communication channels across all organizational levels is vital for disseminating insights and shared visions. Unlike traditional bureaucratic structures that centralize decision-making, learning organizations thrive on openness, allowing every member to contribute to the organization's evolution and adapt to changing environments.

11. (B) Only II
Brainstorming is a creative technique that encourages participants to share a wide range of ideas without the fear of immediate criticism. The process prioritizes quantity over quality in the initial stage to ensure that unconventional or innovative thoughts are not suppressed. Critical evaluation is deferred to a later phase, allowing participants to think freely and explore diverse possibilities.

12. (C) The only skill that will be important is the skill of learning new skills.
In the rapidly changing landscape of the twenty-first century, technical knowledge becomes obsolete quickly. Therefore, the ability to continuously acquire new competencies is regarded as the most critical skill for professional survival and success. Organizations must focus on fostering a mindset of lifelong learning, enabling individuals to adapt to technological shifts and evolving market demands with agility.

13. (A) Coaching – Relationship is finite and ends when an individual transfers to another job.
Coaching and mentoring serve different developmental purposes within an organization. Coaching is typically job-specific and time-bound, focusing on improving performance within a current role. Once the specific task is mastered or the employee moves to a different position, the coaching relationship generally concludes. In contrast, mentoring is often a long-term, career-oriented relationship that transcends specific job boundaries.

14. (C) The quantum of individual and collective learning and the value addition it creates for the organisation.
Core competence represents the integrated knowledge and skills within an organization that provide a competitive advantage. It is not defined by physical assets or financial capital but by the collective learning and expertise of the workforce. This competence creates unique value for customers and is difficult for competitors to replicate, forming the strategic foundation for long-term organizational success.

15. (D) Prioritizing various administrative problems by responding to incoming mail and simultaneous operational incidents.
In-basket exercises are simulation tools used to assess a candidate's ability to handle managerial responsibilities under time pressure. Participants are presented with a collection of memos, emails, and reports that require immediate attention. They must prioritize tasks, make decisions, and delegate appropriately, reflecting their organizational skills, analytical thinking, and ability to manage typical daily administrative challenges effectively.

16. (C) Both I and II
The establishment of the first Indian Institute of Skills in Kanpur marked a significant milestone in India's vocational training landscape. Inaugurated in December 2016, the institute was conceptualized based on the successful technical education models observed in Singapore. It aims

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to provide high-quality, industry-driven skill training to empower the workforce and meet the demands of the modern economy.

17. (A) Harvard Business School
Harvard Business School pioneered the case study method as a pedagogical tool for management education. This technique involves presenting students with real-life business scenarios to analyze complex problems and propose strategic solutions. By simulating actual decision-making processes, the method develops critical thinking and analytical skills, making it a staple in executive development programs and business schools worldwide.

18. (A) I and II
The National Apprentice Promotion Scheme aims to significantly increase the engagement of apprentices across various industries. It sets ambitious targets, such as engaging fifty lakh apprentices by 2020. The government provides financial incentives, including supporting basic training costs up to seventy-five hundred rupees for five hundred hours, to encourage organizations to hire and train more apprentices effectively.

19. (B) I, III, and IV
Mentoring is a career-focused development method that links employees with experienced individuals who possess valuable knowledge. It emphasizes long-term professional growth and personal development, often extending beyond the mentee's current job scope. Unlike formal supervision, it does not involve performance reviews or direct management. Instead, it fosters a supportive environment that encourages continuous learning and institutional knowledge sharing.

20. (D) Assertion (A) is false, but Reason (R) is true.
Performance in an organization is deeply influenced by the attitudes and emotional maturity of its members, making the assertion that they are independent incorrect. Human behavior and motivation are fundamental to organizational success. Real motivators, such as recognition and increased responsibility, serve as essential drivers for growth, fueling change and encouraging individuals to reach their full potential.

21. (C) Sensitivity Training
Sensitivity training involves placing participants in an unstructured environment to observe their interpersonal behaviors and emotional responses. With no formal agenda, the trainer highlights instances of stress or prejudice to help individuals develop empathy and better listening skills. This process aims to increase self-awareness and tolerance for diverse viewpoints, ultimately improving team dynamics and communication within the organization.

22. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Ministry of Skill Development and Entrepreneurship has benchmarked eighty-two job roles against United Kingdom standards to elevate the quality of Indian vocational training. This alignment ensures that the skills acquired by Indian workers meet international requirements, enhancing their employability in both domestic and global markets. Such benchmarking is essential for facilitating international labor mobility and professional recognition.

23. (D) It aims to maintain the company in an organized, stable state permanently.
A learning organization is characterized by its ability to continuously learn, grow, and adapt to changing circumstances. Rather than aiming for a permanent stable state, it embraces constant change and unlearns obsolete knowledge to stay relevant. It promotes shared visions and disseminates knowledge throughout the system, ensuring that learning becomes an integral part of the organizational culture and strategy.

24. (D) The committee approach leads to a lack of individual responsibility and accountability for specific tasks and failures.
While committee assignments provide opportunities for collective problem-solving and exposure to organizational issues, they often suffer from a diffusion of responsibility. Since decisions are made by a group, individual accountability for specific outcomes is reduced. This can hinder the rapid development of decisive leadership qualities and individual initiative, as the focus remains on group consensus rather than personal responsibility.

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measure all subjective aspects of training success, such as whether trainees liked the training.
Reason (R): ROI is a financial measure based on the extent to which the monetary benefits of training exceed the costs.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

76. Read the following factors that differentiate an enterprise's desired talent makeup:
I. Skills
II. Scale
III. Salary
IV. Speed
Which of the above combination is correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, III, and IV

May/June 2008

77. In the context of training evaluation, which of the following is the best description of "Efficiency"?
(A) The absolute monetary benefit generated for the organisation regardless of the actual training duration or materials used.
(B) The degree of long-term retention of specialized technical knowledge specifically by younger Generation Y employees only.
(C) The calculation of indirect financial costs such as external course design and hiring of temporary educational consultancy firms.
(D) The measure of the amount of learning achieved relative to the total amount of effort and time invested by the participants.

Oct/Nov 2012

78. Match the strategies to hone leadership skills in List I with their descriptions in List II.
List I: Leadership Strategies
P. Imbibe situational awareness
Q. Create robust Succession Plans
R. Nurturing 'Role Models'
S. Ability to accept failures
List II: Descriptions
1. Identifying the successor well before the position becomes vacant to ensure smooth transition.
2. Developing an employee's ability to foresee outcomes, anticipate future realities, and recognize overlooked opportunities.
3. Recognizing errors, admitting them openly, taking corrective action, and attributing team successes to team members.
4. Demonstrating commitment to goals, following principles, and providing equal rights to others to generate awareness.
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2019

79. A bank assesses the impact of a training program by looking at the numbers of complaints, sales made, and output per hour of the trainees compared to a control group. Which specific benefit of training is the bank measuring?
(A) Attitudinal Change
(B) Performance Change
(C) Learning Retention
(D) Generational Shift

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Oct/Nov 2020

80. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Some researchers suggest that actual differences in preferences and values between generations are quite small, and sweeping group differences based on age alone are not supported.
Reason (R): Changes in attitudes and behaviors are more accurately explained by Period effects, Life-cycle effects, and Cohort effects, rather than just generational branding.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

33. (B) A state similar to an information processing system that is rational, logical, and flexible to change.
The Adult ego state in Transactional Analysis functions like an objective data-processing center. It is characterized by rational thinking, logical analysis, and the ability to evaluate the environment realistically. Unlike the Parent or Child states, the Adult state is flexible and capable of making decisions based on current facts rather than past conditioning or purely emotional reactions.

34. (D) Provide frequent, personalized opportunities to receive feedback and recognize accomplishments both privately and publicly.
Managing the performance of the millennial workforce requires a shift toward more frequent and personalized engagement. Gen-Y employees typically value constant feedback and public recognition for their achievements. By moving away from rigid annual reviews and implementing a culture of continuous appreciation, organizations can better motivate these workers and satisfy their desire for rapid career progression and meaningful professional development.

35. (A) Information is often simplified by removing nuance, making it ineffective when specific facts change rapidly.
Computer Based Training often relies on structured data that may simplify complex topics to fit a digital format. While efficient for well-defined skills, this simplification can be a disadvantage when dealing with rapidly evolving or nuanced knowledge. In such cases, the static nature of CBT content may fail to capture essential changes, rendering the training material quickly outdated or insufficient.

36. (B) II, III, I
Talent management within the banking sector follows a logical sequence starting with recruitment. First, the organization must acquire suitable talent from the market. Once hired, these individuals undergo development programs to enhance their skills and prepare for future roles. Finally, the bank focuses on retention strategies to ensure that trained and valuable employees remain within the institution over time.

37. (C) I and III
Sensitivity training is conducted in small groups to facilitate deep personal interaction and introspection. Unlike traditional workshops, these sessions lack a formal agenda, allowing participants to explore their behaviors and emotional responses freely. This unstructured approach aims to develop self-awareness and improve interpersonal relationships by involving participants at an emotional level, rather than just delivering cognitive information.

38. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In a mobile-driven environment, knowledge management transcends traditional linear chains and becomes a dynamic ecology. Within this ecology, various elements are interconnected, allowing for the continuous creation and transformation of information. This interrelated structure differentiates innovative product development by enabling real-time collaboration and access to diverse data points, which are crucial for staying competitive in a fast-paced market.

39. (D) Subject specialization Training – Developing public speaking and team building skills for entry-level clerks.
Subject specialization training focuses on deepening expertise in a specific technical or professional field. Developing public speaking or team building skills is typically categorized under soft skills or communication training, rather than technical specialization. Entry-level clerks would usually require training in specific banking operations or administrative tasks rather than high-level subject specialization for generic team activities.

40. (A) I, II, and III
Transactional Analysis is built on the philosophy that every individual has inherent validity and deserves respect. It posits that people can change their behaviors and that emotional difficulties are curable through awareness and intervention. Positive reinforcement is seen as a key tool for enhancing a person's sense of "OKness," rejecting the idea that human destiny is entirely predetermined.

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mindset. This generation values efficiency and the ability to use technology to bypass traditional geographic or administrative barriers, reflecting a significant shift in customer and employee expectations.

75. (D) Assertion (A) is false, but Reason (R) is true.
Return on Investment is a purely financial metric and is not designed to measure subjective aspects like whether trainees enjoyed a program. It focuses on comparing the monetary benefits of training to its costs. Subjective feedback is gathered through other evaluation methods, such as satisfaction surveys, which complement ROI data to provide a complete picture of training success.

76. (D) I, II, III, and IV
An enterprise's desired talent makeup is determined by several interrelated factors, including the specific skills required for roles and the scale of operations. Additionally, salary structures must be competitive to attract and retain talent, while the speed of acquisition and development is crucial for maintaining a competitive edge. Together, these elements define the strategic human resource requirements of the organization.

77. (D) The measure of the amount of learning achieved relative to the total amount of effort and time invested by the participants.
Efficiency in training evaluation refers to how well resources are utilized to achieve educational goals. It is calculated by looking at the learning outcomes in relation to the time and effort expended by both the organization and the participants. A highly efficient program achieves significant skill acquisition with minimal waste of time, making it a cost-effective development strategy.

78. (A) P-2, Q-1, R-4, S-3
Leadership development involves several key strategies, such as building situational awareness to anticipate future outcomes. Creating robust succession plans ensures that potential leaders are identified early for smooth transitions. Nurturing role models involves demonstrating consistent principles and commitment to goals. Finally, the ability to accept failures by taking responsibility and attributing success to the team is essential for effective leadership.

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79. (B) Performance Change
Measuring tangible outcomes like sales figures, the number of customer complaints, and hourly output allows an organization to assess performance changes resulting from training. By comparing these metrics to a control group, the bank can objectively determine if the training program has successfully improved the practical effectiveness and productivity of its employees in their daily operational roles.

80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Recent research suggests that preferences across generations are more similar than often assumed. Apparent differences are better explained by period effects, which impact everyone, and life-cycle effects, which describe how people naturally change as they age. Cohort effects also play a role, but sweeping generalizations based solely on age groups may not accurately reflect individual workplace behaviors or values.

81. (C) It always features a highly personal aspect and has no dependency on technical bandwidth.
Web-based training offers flexibility and cost savings but often lacks the personal interaction found in traditional classrooms. Furthermore, it is heavily dependent on technical infrastructure and bandwidth to deliver multimedia content effectively. While it is a convenient and efficient method for large organizations, its reliance on technology and potential for social isolation are recognized limitations of the digital format.

82. (A) Conducting competency mapping on an on-going basis to ensure the bank fits the right specialized skills into the right job roles.
Competency mapping is a strategic practice used by banks to identify and align the specific skills of employees with the requirements of various job roles. This process is integral to succession planning, as it helps the organization develop a pipeline of talent ready for future leadership positions. By continuously assessing internal capabilities, banks can ensure better talent utilization and career progression.

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50. (C) Mobile Knowledge Management (KM mobile)
Mobile Knowledge Management involves using wireless technology to deliver mission-critical information directly to employees in the field. By using digital widgets and real-time alerts, organizations enable their staff to make informed decisions on the spot during client interactions. This approach transforms the traditional knowledge chain into a dynamic ecology, providing immediate access to data when and where it is needed.

51. (C) Both I and II
Banks face unique challenges in training due to their extensive branch networks and wide geographical spread. This makes consistent delivery of training programs difficult. Furthermore, the banking industry must keep pace with rapid technological advancements and changing regulatory environments. Addressing these two factors is essential for maintaining a competent workforce that can navigate the complexities of modern financial services.

52. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Transactional Analysis offers a theory of psychopathology by examining how individuals replay "Childhood Scripts" in their adult lives. These scripts are unconscious life plans developed in early childhood that may lead to repetitive, self-defeating behaviors. By understanding these patterns, TA helps individuals break free from painful strategies and develop healthier ways of interacting and making life decisions.

53. (C) Content Management System (CMS)
A Content Management System is a digital framework used to store, organize, and manage course content and student records. It provides a secure interface for authorized users to add or update data, working alongside a database to ensure information integrity. In a corporate university, a CMS is vital for maintaining educational materials and tracking the progress of learners across various programs.

54. (A) I and II
Training conducted by supervisors leads to higher job satisfaction and increased employee motivation as staff feel more competent in their roles. Furthermore, these programs improve process efficiencies, which directly contribute to financial gains for the organization. While fresh talent is important, increasing employee turnover is generally not considered a positive benefit of a successful training program.

55. (A) P-3, Q-1, R-4, S-2
Web-based training involves several distinct elements for delivery and management. Synchronous learning requires real-time instructor facilitation, whereas asynchronous learning allows for self-directed study. Platforms like SharePoint are often used within companies to store resources, while systems like Blackboard and Angel are common in higher education for creating and managing comprehensive training modules for students.

56. (A) I'm not OK and you are OK
The "I'm not OK and you are OK" life position is characterized by feelings of personal inadequacy and low self-esteem. Individuals in this state often perceive others as more competent and capable than themselves. This can lead to a submissive attitude in relationships, where the person unconsciously accepts unfair treatment or abuse, viewing themselves as the weak partner in interactions.

57. (D) Assertion (A) is false, but Reason (R) is true.
Gen-Y employees are typically not linear information processors; they are digital natives who prefer multi-tasking and receiving data from multiple sources simultaneously. They thrive on real-time information and quick transitions between tasks. The assertion that they prefer a linear fashion is incorrect, as their socialization in a technology-rich environment has shaped them to be highly adaptable and multi-modal learners.

58. (A) Physiological diagnosis
Transactional Analysis uses behavioral, social, and historical diagnoses to identify an individual's ego states. Behavioral diagnosis looks at outward actions, social diagnosis examines interactions with others, and historical diagnosis looks at past

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influences. Physiological factors are not typically part of the diagnostic framework for ego states, which focuses on psychological patterns and observed interpersonal behaviors.

59. (C) Diversity Training – Explaining how people have different perspectives and techniques to value those unique differences.
Diversity training is designed to help employees understand and appreciate the different perspectives brought by people from various backgrounds. It focuses on valuing unique differences and fostering an inclusive workplace culture. Unlike technical or ethics training, it specifically targets interpersonal awareness and the ability to work effectively within a heterogeneous workforce to enhance organizational harmony and productivity.

60. (B) To ensure students are tracked and given proper, encouraging feedback throughout the duration of the learning process.
Consistent instructor presence in an e-learning environment is vital for maintaining student engagement and providing timely feedback. Even in digital settings, learners need encouragement and guidance to stay on track and master the material. The instructor's role is to monitor progress, answer questions, and facilitate a supportive learning community, ensuring that the technology serves as an effective educational tool.

61. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
While hiring from the external market brings new perspectives, banks must also value their home-grown talent to maintain morale and institutional knowledge. Focusing exclusively on external recruits can lead to discontentment among existing staff who may feel overlooked. A balanced approach that recognizes and develops internal capabilities is essential for institutional stability and long-term organizational health and loyalty.

62. (C) Both I and II
Return on Investment in training is a financial metric calculated by comparing the total benefits against the total costs. Benefits include direct savings, increased revenue, and other factors that positively impact the organization's bottom line. By using this formula, companies can determine the economic efficiency of their training programs and justify the allocation of resources for employee development.

63. (A) The necessity for hiring managers to speed up their recruitment process due to a sharp drop in offer acceptance and joining ratios.
The phrase "Fastest finger first" in recruitment refers to the urgent need for hiring managers to finalize candidates quickly. Due to high competition and declining offer acceptance rates, delayed decisions often result in losing top talent to competitors. Organizations must streamline their interview and onboarding processes to secure skilled individuals before they accept other professional opportunities in the market.

64. (C) Altering reinforcements, engaging in rational discussion, and providing current information to employees on an ongoing basis.
Achieving attitudinal change requires more than just technical instruction; it involves influencing an individual's underlying beliefs and responses. This is accomplished through rational discussion, providing relevant new information, and adjusting the reinforcement mechanisms within the workplace. By consistently engaging with employees and addressing their perspectives, organizations can foster a more positive and aligned professional mindset across the workforce.

65. (B) Baby Boomers
Baby Boomers are the demographic generation born during the post-World War II period, roughly between 1947 and 1964. In the professional world, they are often characterized as hard-working, disciplined, and possessing a strong sense of duty. This cohort has traditionally held significant leadership roles within organizations and is now gradually transitioning toward retirement as younger generations enter the workforce.

66. (A) Organisations should ignore generational differences during on-boarding to ensure older workers adapt immediately.
Effective on-boarding should not ignore generational differences; rather, it should embrace them to ensure a smooth transition for all new hires. Tailoring the process to address the

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specific needs of different age groups, such as providing technology training for older workers, enhances engagement. Ignoring these nuances can lead to frustration and decreased productivity among employees who may feel unsupported.

67. (C) They are 'made-ready to work' individuals, saving the new entities large sums of money on extensive training and mentoring.
Private banks often target experienced officers from Public Sector Banks because these individuals are already highly skilled and familiar with banking operations. By hiring "made-ready" talent, the new entities can avoid the significant costs and time associated with basic induction and specialized training. This strategy allows private banks to expand their operations quickly with a competent and productive workforce.

68. (B) The smartphone has permanently and completely entrenched generational divides into distinct physical spaces that are understood immediately.
Generational differences are shaped by cohort, life-cycle, and period effects rather than just technology alone. While devices like smartphones influence communication, they do not permanently entrench divides into distinct physical spaces. Understanding generations requires looking at shared socializations and how historical events alter everyone's perspective, rather than making sweeping assumptions based solely on the use of a specific digital tool.

69. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Training evaluation is often relegated to simple feedback sheets because organizations frequently prioritize immediate operational tasks over long-term strategic analysis. This short-term focus prevents a deeper assessment of how training impacts behavioral or performance changes. Without high priority, evaluation remains superficial, making it difficult to measure the true effectiveness and financial return of developmental initiatives for the workforce.

70. (B) I and III
A key aspect of leadership development is the ability to accept failure with integrity. This involves recognizing one's own errors and admitting them openly rather than deflecting blame onto others. Additionally, effective leaders take responsibility for the collective failures of their teams while ensuring that successes are attributed to the group, thereby fostering a culture of accountability and mutual trust.

71. (A) A good LMS will often provide reporting tools to generate and store progress reports.
E-learning tools are designed to facilitate efficient training management through features like automated reporting. A robust Learning Management System allows administrators to track participant progress, store test scores, and generate detailed reports for performance analysis. These digital capabilities are essential for managing large-scale training initiatives and ensuring that all employees meet the required educational benchmarks within the organization.

72. (B) Dynamic leadership, which represents a judicious and balanced mix of Visionary, Thought, and Inspirational leadership styles.
Leading creative talent amidst changing demographics requires a dynamic leadership approach. This involves balancing visionary planning, deep thought, and the ability to inspire others toward a shared goal. Unlike rigid or purely administrative styles, dynamic leadership allows managers to adapt to volatility and leverage the diverse strengths of their team members to drive innovation and organizational success.

73. (D) It results in a tangible reduction in operational error rates and an improvement in overall employee productivity levels.
Using online simulations for tasks like queue management allows new hires to practice critical banking operations in a risk-free environment. This intensive preparation ensures that employees are proficient before they interact with actual customers. As a result, banks observe fewer operational mistakes and higher productivity, as workers are better equipped to handle real-world challenges with confidence and accuracy.

74. (C) Gen C
Gen C represents a group characterized by their deep immersion in technology and a worldview shaped by constant connectivity. Their expectation for seamless "Anywhere Banking" and rapid information flow reflects a digital-first

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91. (B) To assess skills without interaction, drill them from day one, and create a high-quality experience for all bank customers.
Using interactive games for training allows banks to evaluate the skills of new hires in a controlled environment before they face customers. This approach ensures that essential procedures are practiced and mastered from day one. By drilling these skills through simulation, the bank can guarantee a higher quality of service and a more consistent experience for its customers upon the employees' actual deployment.

92. (C) Dynamic Mobile Environment and Mobile Knowledge Management (KM).
Utilizing mobile devices to deliver real-time alerts and document links represents a shift toward mobile knowledge management. This methodology allows information to be pushed to field employees exactly when needed, facilitating faster and more accurate decision-making. It adapts to the dynamic nature of modern work environments, ensuring that staff are always connected to the latest corporate data and resources.

93. (B) I, II, III, and IV
Successful online learning requires a combination of high-quality content, a robust delivery system, and consistent instructor support. A well-designed Learning Management System ensures that materials are easily accessible and compatible across different platforms. Additionally, the presence of an instructor to provide feedback is crucial for keeping learners engaged. Designing for multiple learning styles, rather than just one, enhances the overall effectiveness.

94. (C) Significant historical events, such as a global pandemic, can act as a period effect testing existing intergenerational theories.
Period effects are major historical events that influence the attitudes and behaviors of all generations simultaneously. A global pandemic is a prime example of such an event, as it forces widespread changes in how people work and interact. Studying these effects helps researchers test and refine theories about generational differences, providing a clearer understanding of how external factors shape workplace dynamics over time.

95. (B) I, II, and III
Talent management in the banking sector encompasses three primary roles: acquisition, development, and retention. Organizations must first attract the right people, then provide them with the necessary training to enhance their skills. Finally, they must implement strategies to retain these valuable employees. While outsourcing may occur for specific functions, it is not considered one of the core internal roles of talent management.

96. (A) I and II
Effectiveness in e-learning is enhanced when instructors thoroughly research their subject matter before presenting it. Furthermore, courses should be designed to appeal to diverse learning styles to ensure all participants can engage with the material. Maintaining open lines of communication is also essential, as it allows students to seek guidance and receive feedback, which is critical for successful digital learning outcomes.

97. (A) I and II
Effectiveness in e-learning is enhanced when instructors thoroughly research their subject matter before presenting it. Furthermore, courses should be designed to appeal to diverse learning styles to ensure all participants can engage with the material. Maintaining open lines of communication is also essential, as it allows students to seek guidance and receive feedback, which is critical for successful digital learning outcomes.

98. (D) I, II, III, IV, and V
Modern corporate training programs cover a wide array of topics to ensure a well-rounded and professional workforce. This includes communication and customer service skills, as well as essential compliance training such as diversity, ethics, and sexual harassment prevention. Each type of training addresses specific aspects of employee behavior and organizational culture, contributing to a respectful, productive, and legally compliant work environment.

99. (C) Both I and II
Changes in behaviors and attitudes over time are influenced by period effects and cohort effects.

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83. (D) Imbibing creativity through Study & Research.
Executives who engage in continuous study, research, and cost-benefit analysis demonstrate a commitment to creative leadership. By exploring new market strategies and performing fieldwork, they discover innovative solutions and horizons for growth. This proactive approach to learning ensures that leaders remain informed about industry trends and are capable of making data-driven decisions that drive the organization forward in a competitive landscape.

84. (D) I, II, III, and IV
Calculating the total cost of a training program requires a comprehensive look at both direct and indirect expenses. This includes the salaries of learners while they are away from their duties, departmental overheads, and the cost of covering jobs during training. For online courses, expenses related to web development and content production must also be factored in to determine true investment.

85. (B) I, II, IV, and V
Training for Gen-Y employees is most effective when it is concise, entertaining, and highly interactive. These workers value flexibility in their schedules and thrive in collaborative environments that encourage teamwork. Rather than restricting technology, organizations should leverage mobile learning to accommodate their digital habits. Providing freedom and engaging content helps maintain the interest and motivation of this younger demographic.

86. (C) Expanding timelines for CV feedback to ensure extreme thoroughness.
To speed up talent acquisition, organizations should focus on streamlining their processes rather than expanding timelines. Combining interviewers into panels and minimizing the number of rounds help in making faster hiring decisions. Additionally, buying out notice periods can accelerate the onboarding process. Delays in providing feedback on CVs can lead to losing potential candidates to more agile competitors.

87. (B) A lull in business can be used to prepare for future growth, as well-trained and capable employees always work more efficiently.
Maintaining training programs during a recession is a strategic move that prepares the workforce for the eventual economic recovery. Periods of lower business activity provide the necessary time for employees to upgrade their skills without disrupting normal operations. Well-trained staff are more efficient and productive, giving the company a competitive advantage when market conditions improve and growth opportunities arise.

88. (B) A lifelong process that keeps individuals in a dynamic state through modern, scientific, and innovative research methods.
Constant learning is a lifelong commitment that is essential for leaders to remain effective in a changing world. It involves staying curious and utilizing innovative research methods to acquire new knowledge. This dynamic state prevents professional stagnation and ensures that leaders can adapt their strategies to new challenges, regardless of their position in the organizational hierarchy or previous educational achievements.

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89. (A) P-3, Q-4, R-1, S-2
Training outcomes are measured through different criteria to ensure their effectiveness. Learning is often assessed via objective tests, while behavioral change is identified through workplace observation. Performance change is measured by tangible metrics like sales or output. Attitudinal change is gauged through rational discussion and observing shifts in reinforcement patterns, ensuring a comprehensive evaluation of the training's impact on staff.

90. (A) P-3, Q-4, R-2, S-1
Different generations are defined by specific timeframes and characteristics shaped by their historical context. Baby Boomers are known for their discipline, while Gen X is characterized by self-reliance after social upheaval. Millennials (Gen Y) typically seek workplace flexibility and are skilled multi-taskers. Gen C, the most recent cohort, is fully intertwined with technology and often exhibits different social interaction patterns.

CHAPTER 15
Industrial Relations – Part A

May/June 2023

1. What is the enhanced threshold limit for the applicability of the Contract Labour (Regulation and Abolition) Act, 1970 in the state of Maharashtra?
(A) 20 workmen
(B) 100 workmen
(C) 300 workmen
(D) 50 workmen

Oct/Nov 2014

2. Under the Industrial Relations Code 2020, to which establishments do the provisions regarding Standing Orders apply?
(A) Establishments employing 20 or more employees on any day in the preceding twelve months.
(B) Establishments employing 100 or more employees on any day in the preceding twelve months.
(C) Establishments employing 300 or more employees on any day in the preceding twelve months.
(D) Establishments employing 500 or more employees on any day in the preceding twelve months.

May/June 2005

3. What constitutes a "lay-off" under the Industrial Relations Code 2020?
(A) The termination of an employee's services on the specific grounds of continued ill-health.
(B) The concerted casual vacation of work by fifty percent or more of the industrial workers.
(C) Failure to provide work due to shortages of power, raw materials, or natural calamities.
(D) The voluntary resignation of workers in response to unfavorable changes in standing orders.

Oct/Nov 2022

4. Which of the following statements regarding the Payment of Gratuity Act, 1972 is incorrect?
(A) Gratuity is payable at the rate of 15 days' last drawn salary for every completed year of service.
(B) The maximum gratuity payable shall not exceed Rs. 20 lakhs.
(C) Gratuity payment requires the mandatory completion of 5 years of continuous service even if termination is due to death.
(D) Gratuity can be fully forfeited if services are terminated for an offence involving moral turpitude committed in the course of employment.

May/June 2018

5. What is the primary purpose of constituting a Works Committee under the Industrial Disputes Act, 1947?
(A) To adjudicate disputes regarding wages and hours of work independently of labor courts.
(B) To promote measures securing and preserving amity between the employer and workmen.
(C) To legally represent the trade union in national tribunals during mass retrenchment proceedings.
(D) To manage and distribute the political funds collected from the workmen's salaries.

Oct/Nov 2006

6. Under the Payment of Wages Act, 1936, which of the following is NOT an authorized deduction from wages?
(A) Deductions for absence
(B) Unilateral deduction for unproven poor performance
(C) Recovery of advances and loans
(D) Income Tax (IT) deductions

May/June 2021

7. Which of the following defines Personnel Management in the context of organizational functions?
(A) A purely administrative process to ensure

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Period effects are events that alter the perspectives of everyone, such as social upheaval or major historical shifts. Cohort effects are specific to groups socialized during the same timeframe. Understanding both is essential for organizations to manage generational differences effectively and adapt their human resource strategies to changing times.

100. (D) The superior cannot delegate any part of the workload to the trainee under this method.
The understudy method specifically encourages the superior to delegate parts of their workload to the trainee. This hands-on experience is vital for preparing the learner to eventually take over the superior's position. Delegation allows the trainee to practice real tasks under supervision, which maintains high motivation. The claim that delegation is not permitted is incorrect, as it is a fundamental part of this training method.

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41. (D) P-3, Q-2, R-4, S-1
The components of talent represent different aspects of human performance within an organization. Competence relates to the head, signifying the mental ability to perform tasks. Commitment involves the heart, reflecting the desire to do the job well. Contribution focuses on the hands and feet, representing actual action. Collectively, talent is viewed as the visible face of human resources.

42. (A) P-2, Q-1, R-4, S-3
Transactional Analysis identifies four life positions that dictate how individuals interact with others. The "I'm OK, You're OK" position is considered the healthiest, reflecting mutual respect and competence. In contrast, feeling that oneself is OK while others are not indicates a lack of trust. The "not OK" positions often lead to feelings of inadequacy, helplessness, or total despair.

43. (B) Conformance to leading e-Learning standards prevents LMS from using content from third-party vendors.
Learning Management Systems are designed to be interoperable by conforming to international e-learning standards. This standardization actually enables organizations to integrate and use high-quality content from various third-party vendors alongside their internal materials. Conformance ensures that data can be tracked consistently across different platforms, facilitating a flexible and diverse learning environment for employees regardless of the content source.

44. (B) I and IV
E-learning offers significant advantages such as convenience and the flexibility to learn at one's own pace and schedule. Additionally, it helps participants develop better time-management skills as they take responsibility for their own progress. While it can lead to social isolation or a lack of face-to-face interaction, these are typically considered disadvantages rather than benefits of the digital method.

45. (C) Central Bank of India
MANTHAN is a specialized soft skills training program launched by the Central Bank of India for its entire staff. The program is designed to run for two to three days, focusing on enhancing interpersonal communication and service quality among employees. Such large-scale initiatives reflect the bank's commitment to improving its human capital and adapting to the service demands of modern banking.

46. (B) Eric Berne
Eric Berne, a renowned psychotherapist, developed the theory of Transactional Analysis in the mid-twentieth century. This psychological framework provides a method for analyzing human interactions and understanding the ego states that drive behavior. Berne's work has been widely applied beyond clinical settings, becoming a significant tool in organizational development for improving communication and interpersonal relationships at work.

47. (B) It includes non-traditional opportunities such as advancement by job role, lateral job rotations, and project responsibilities.
Modern career advancement extends beyond traditional vertical promotions. It encompasses lateral moves, expanded job roles, and the opportunity to lead significant projects. This broader definition is particularly effective for retaining diverse generations of workers who seek varied experiences and continuous growth. By offering diverse pathways for development, organizations can keep employees engaged and motivated throughout their professional journey.

48. (B) Parent Ego state
When an individual displays authoritative, critical, or nurturing behaviors that mimic those of a parental figure, they are operating from the Parent ego state. This state involves reacting based on past conditioning and rules learned from authority figures. In a professional context, this often manifests as scolding or over-protectiveness, regardless of the chronological age of the persons involved in the interaction.

49. (A) Infosys and Tata Consultancy Services (TCS)
Major Indian IT companies have established large-scale training campuses to bridge the skill gap in the technology sector. Infosys operates a massive global education center in Mysore, while Tata Consultancy Services has built a significant training facility in Thiruvananthapuram. These campuses provide intensive training to new hires, ensuring they possess the technical and

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strict compliance with governmental labor regulations.
(B) A function of planning, organizing, and coordinating functions to achieve organizational goals.
(C) A strategic function limited to analyzing internal industry competencies and competitor actions.
(D) A regulatory mechanism designed for the formal handling of collective bargaining with unions.

Oct/Nov 2010

8. Which of the following functions falls under the "Professional Functions" of HR management?
(A) Strategy Formulation
(B) Employee Morale and superior performance
(C) Career and Succession Planning
(D) Industry/Competitor Analysis

May/June 2007

9. Which of the following statements regarding the definition of 'workman' under the Industrial Disputes Act, 1947 is incorrect?
(A) It includes an apprentice employed in any industry to do skilled or unskilled manual work.
(B) It includes a person subject to the Air Force Act, 1950, or the Navy Act, 1957.
(C) It includes a person dismissed or retrenched as a consequence of an industrial dispute.
(D) It excludes a person employed mainly in a managerial or administrative capacity.

Oct/Nov 2025

10. As per the Industrial Relations Code 2020, up to what monthly earning limit is a person employed in a supervisory capacity included in the definition of a "worker"?
(A) Rs. 10,000 per month
(B) Rs. 15,000 per month
(C) Rs. 18,000 per month
(D) Rs. 24,000 per month

May/June 2012

11. Under the Employees' Compensation Act, 1923, an employer is liable to pay compensation for an injury arising out of employment. Which of the following is NOT a condition that exempts the employer from this liability?
(A) The disablement does not continue for more than three days.
(B) The injury is caused while the workman is under the influence of drink or drugs.
(C) The workman disobeys an order or violates safety rules willfully.
(D) The workman seeks initial first-aid treatment before presenting himself for a formal medical examination.

Oct/Nov 2016

12. What principle is captured by the "Doctrine of Notional Extension"?
(A) The legal extension of an employer's liability to cover any disease contracted within the first six months.
(B) The presumption that employment extends to the entire geographical boundaries of the state of operation.
(C) The concept that employment includes the time and area used when traveling to or from work.
(D) The extension of provident fund benefits to non-regular workers after completing 120 days of service.

May/June 2014

13. Which statement regarding the registration of a trade union of workmen under the Trade Union Act, 1926 is correct?
(A) It must have at least ten percent or one hundred workmen, subject to a minimum of seven.
(B) It can be registered with any five members regardless of their employment status in the connected industry.
(C) It requires the approval of the Works Committee before submitting the application to the Registrar.
(D) It must consist exclusively of manual laborers and excludes anyone performing technical or clerical work.

Oct/Nov 2007

14. How is the representation on a Negotiating Council determined when no single union meets the 51% threshold under the Industrial Relations Code 2020?
(A) One representative for every ten percent of the total workers on the muster roll supporting the union.
(B) Two representatives for every fifteen percent of the total workers on the muster roll supporting the union.

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(C) The Equal Remuneration Act – 1965
(D) The Payment of Gratuity Act – 1961

Oct/Nov 2007

56. What is the designated timeline for utilizing the re-skilling fund for a dismissed worker under the Industrial Relations Code 2020?
(A) Within 45 days after the worker's dismissal.
(B) Within 15 days of the worker's dismissal.
(C) Within 30 days of the worker's dismissal.
(D) Within 60 days after the worker's dismissal.

May/June 2025

57. Consider the following circumstances under which the certificate of registration of a trade union under the Trade Union Act, 1926 can be withdrawn by the Registrar:
I. The certificate was obtained by fraud or mistake.
II. The trade union has willfully contravened provisions of the Act after notice from the Registrar.
III. The trade union has allowed any rule to continue which is inconsistent with the provisions.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2019

58. Match the threshold limits in List I with the corresponding statutory provisions in List II:
List I: Threshold Limits
P. 100 or more workers
Q. 20 or more workmen
R. 50 or more workers (Maharashtra)
S. Less than 1,000 persons
List II: Statutory Provisions
1. Contract Labour Act applicability in Maharashtra
2. Wage payment before expiry of the 7th day
3. Contractor required to provide a canteen
4. Contract Labour Act applicability (Central)
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-2, R-3, S-4

May/June 2009

59. Consider the following statements about the Contract Labour (Regulation and Abolition) Act, 1970:
I. A contractor is required to provide a first-aid box and sufficient drinking water.
II. If the contractor fails to provide these amenities, the principal employer is legally absolved of any obligation to provide them.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2011

60. Match the Social Security provisions in List I with their specific limits in List II:
List I: Provisions
P. Maximum Gratuity Payable
Q. Maximum Maternity Leave (General)
R. Maternity Leave for mothers adopting a child <3 months
S. Enhanced wage limit for EPF coverage
List II: Limits
1. Rs. 20 lakh
2. 26 weeks
3. 12 weeks
4. Rs. 15,000 per month
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-1, Q-3, R-2, S-4
(D) P-4, Q-2, R-1, S-3

May/June 2010

61. Which of the following are essential features of the Industrial Disputes Act, 1947?
I. Defines appropriate government for central and state-level operations.
II. Empowers the government to prohibit strikes in public utility services.
III. Mandates 21 days' notice to workmen likely to be affected by proposed service condition changes.
IV. Provides for voluntary reference of disputes to arbitration before referring to a labor court.
V. Stipulates that works committees must consist of equal representatives of employers and workmen.
Which of the above statements are correct?
(A) I, II, III, and V only

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of a specific department.

Oct/Nov 2005

22. From which retrospective date does the Bipartite Settlement entered into by the Indian Banks Association (IBA) and United Forum of Bank Unions (UFBU) on 11.11.2020 take effect?
(A) 1.4.2017
(B) 1.11.2017
(C) 1.1.2016
(D) 1.7.2017

May/June 2020

23. What shift in communication models has emerged within larger organizations to encourage employees to voice their opinions and feelings?
(A) Replacement of cross-level communication with strict top-down hierarchical models.
(B) Elimination of intranet platforms in favor of union-mediated negotiations only.
(C) Adoption of unilateral management directives with automated grievance logging.
(D) Transition from top-down communication to bottom-top and cross-level communication.

Oct/Nov 2015

24. Which of the following statements about the Payment of Wages Act, 1936 is incorrect?
(A) It covers employees whose wages are less than Rs. 24,000 per month.
(B) In organizations employing less than 1,000 persons, wages must be paid before the expiry of the seventh day.
(C) The employer can pay wages by cheque or by crediting the bank account on authorization from the employee.
(D) The term 'wages' includes basic remuneration and overtime payment, as well as bonus and gratuity payable.

May/June 2013

25. Which statement correctly reflects the regulatory stance on outsourcing in Banks?
(A) Banks are strictly prohibited from outsourcing any operation, core or non-core.
(B) Banks are permitted to outsource non-core activities such as sweeping and dusting.
(C) Banks must outsource all administrative functions to BPO industries to achieve ISO certification.
(D) Banks can only outsource operations if the principal employer retains full liability for trade union registration.

Oct/Nov 2021

26. How are "wages" defined under the Minimum Wages Act, 1948?
(A) The combination of basic pay, dearness allowance, profit-sharing bonus, and voluntary gratuity payments.
(B) The total monetary compensation including traveling allowances, pension fund contributions, and basic pay.
(C) Only the piece-rate or time-rate remuneration fixed by the employer, irrespective of cost-of-living indices.
(D) Remuneration expressible in money, excluding accommodation value, PF contributions, and traveling allowance.

May/June 2024

27. Which of the following is NOT classified as an Administrative Function of HR management?
(A) Organization Competency Identification
(B) Recruitment & Selection
(C) Training and Development
(D) Employee retention

Oct/Nov 2008

28. What is the maximum number of members permitted in a Grievance Redressal Committee under the Industrial Relations Code 2020?
(A) 10 members
(B) 15 members
(C) 20 members
(D) 30 members

May/June 2006

29. Which of the following statements about the Bombay Shops and Establishments Act, 1948 is incorrect?
(A) No employee should work more than 9 hours on any day and 48 hours in a week.
(B) Employees are allowed 6 hours extra in each week for accounts and stock taking, but total overtime should not exceed 24 hours.
(C) The Act mandates that employees must work for at least 7 continuous hours before being allowed a rest interval of one hour.
(D) An employee who has worked for more than 240 days is entitled to 21 days leave which

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proceed without government intervention.

May/June 2013

67. Under the Trade Union Act, 1926, which of the following statements regarding the constitution of a separate political fund are correct?

I. It can be utilized for the holding of political meetings or distribution of political literature.
II. The trade union can compel members to contribute to this fund.
III. A member who does not contribute cannot be excluded from any general benefits of the trade union.
IV. Contribution to the fund cannot be made a condition for admission to the trade union.

Which of the above statements are correct?

(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2021

68. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): The Payment of Wages Act, 1936 authorizes deductions for absence up to a maximum period of 8 days if 10 or more employees acting in concert absent themselves without notice.

Reason (R): Deductions for damage or loss caused due to neglect can be made unilaterally without providing any opportunity to the employee to show cause.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

69. A contractor supplies 120 workmen to a manufacturing plant. He fails to provide a canteen for the workers as mandated by the Contract Labour Act. Who is liable to provide this amenity?

(A) The principal employer of the manufacturing plant.
(B) The State Government labor department.
(C) The recognized Trade Union of the establishment.
(D) The local municipal corporation.

Oct/Nov 2008

70. Concerning wage legislation (Payment of Wages Act 1936 and Minimum Wages Act 1948), which statements are valid?

I. Minimum Wages Act applies to scheduled employments regardless of the number of workers.
II. Minimum wages can be fixed for different localities and as time or piece rates.
III. Any agreement relinquishing a right under the Minimum Wages Act is null and void.
IV. The Payment of Wages Act allows deductions for LIC premiums and cooperative societies.
V. Minimum Wages Act applies directly to scheduled employment in listed sectors.

Which of the above statements are correct?

(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2006

71. A worker is retrenched from an establishment. Under the Industrial Relations Code 2020, what immediate financial obligation does the employer have toward the "reskilling fund"?

(A) The employer must contribute an amount equivalent to 15 days of the worker's last drawn salary.
(B) The employer must pay 50% of the basic wages the worker would have earned in the next year.
(C) The employer must refund 100% of the employee's EPF contribution.
(D) The employer has no obligation if the dismissal is performance-based.

Oct/Nov 2017

72. Identify the correct provisions under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959:

I. The employer is obliged to notify the vacancy at least 15 days before the interview date.
II. The employer is obliged to appoint only

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II. Employees of Sales Promotion as defined in the Sales Promotion Employees Act 1976.
III. Persons employed in a supervisory capacity earning less than Rs. 18,000 per month.

Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2022

37. In the context of managing people in a dynamic business environment, what is considered the most critical issue facing organizations and their HR managers?
(A) Attracting, managing, nurturing, and retaining talent.
(B) Navigating complex legal frameworks to maximize deductions from contract labor wages.
(C) Implementing rigid hierarchical communication models to maintain discipline.
(D) Restricting outsourcing strictly to core banking activities.

Oct/Nov 2023

38. Match the facts in List I with their corresponding figures in List II:
List I: Descriptions
P. Rigid labor laws score for India
Q. Major banks nationalized in July 1969
R. Employment Exchanges Act return frequency
S. Banking Regulation Act enactment year
List II: Figures
1. 48
2. 14
3. Quarterly and biennial
4. 1949
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-1, Q-3, R-2, S-4
(D) P-4, Q-2, R-3, S-1

May/June 2016

39. Consider the following statements about the Bombay Shops and Establishments Act, 1948:
I. Every commercial establishment must remain closed on one day of the week, and the employee is to be paid for such closed day.
II. If an employee quits employment before availing accumulated leave, they forfeit the right to be paid for that leave.

Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2009

40. Match the Personnel Management functions in List I with their respective spheres in List II:
List I: Functions
P. Organization Mission/Vision
Q. Performance Management and Review Mechanism
R. Recruitment & Selection
S. Strategy Formulation
List II: Spheres
1. Professional Functions
2. Administrative Functions
3. Strategic Functions
4. Strategic Functions (Alternate)
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2019

41. The Maternity Benefit Act, 1961 (with applicable amendments) provides for which of the following?
I. A maximum maternity leave period of 26 weeks for women with fewer than two surviving children.
II. Work from home allowance if the nature of work permits, post-maternity leave, upon mutual agreement.
III. Mandatory provision of a crèche for establishments with 50 or more employees.

Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2018

42. Under the Employment Exchanges Act, 1959, under what condition can a public sector bank tap sources other than the employment exchange to fill vacancies in the subordinate cadre?

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(A) If the vacancies are filled exclusively through internal promotions.
(B) If the establishment employs fewer than 50 regular workmen.
(C) If the employment exchange issues a non-availability certificate.
(D) If the vacancy is advertised in at least two national newspapers simultaneously.

May/June 2023

43. Identify the correct pair connecting the legislation to its specific Schedule context:
(A) Employees' Compensation Act, 1923 – Schedule III lists occupational diseases.
(B) Payment of Bonus Act, 1965 – Fourth Schedule specifies set-on and set-off methods.
(C) Minimum Wages Act, 1948 – Schedule II details the amount of minimum bonus.
(D) Industrial Disputes Act, 1947 – Fourth Schedule lists definitions of workmen.

Oct/Nov 2014

44. Match the Payment of Bonus Act, 1965 parameters in List I with their corresponding values in List II:
List I: Parameters
P. Minimum bonus rate
Q. Maximum bonus rate
R. Salary/Wage eligibility ceiling
S. Calculation ceiling
List II: Values
1. Rs. 21,000 per month
2. Rs. 7,000 per month
3. 8.33 per cent
4. 20 per cent
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-4, S-3
(D) P-3, Q-1, R-2, S-4

May/June 2005

45. Under the Industrial Disputes Act, 1947, which of the following are excluded from the definition of "Workman"?
I. An apprentice engaged in technical work.
II. A person employed mainly in a managerial or administrative capacity.
III. A person subject to the Army Act, 1950.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2022

46. What constitutes the most appropriate ground for the appropriate government to prohibit an establishment from employing contract labour?
(A) The establishment employs fewer than 20 regular workmen.
(B) The work is perennial, of sufficient duration, and done through regular workmen.
(C) The principal employer utilizes a bottom-top communication model.
(D) The contractor pays wages primarily through direct bank transfers rather than currency notes.

May/June 2018

47. Consider the following statements concerning the Payment of Bonus Act, 1965:
I. It applies to all factories and establishments employing 20 or more persons.
II. New establishments are permanently exempted from the payment of bonus regardless of the profits shown.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2006

48. Match the legislations in List I with their respective classification groups in List II:
List I: Legislations
P. The Factories Act, 1948
Q. The Payment of Bonus Act, 1965
R. The Maternity Benefit Act, 1961
S. The Apprentices Act, 1961
List II: Classifications
1. Legislation on Wages
2. Legislation on Social Security
3. Legislation on Employment and Training
4. Legislation on Working Conditions
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-1, R-4, S-3

May/June 2021

49. Identify the INCORRECT pair concerning the Payment of Gratuity Act, 1972:

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(A) Maximum limit of payable gratuity – Rs. 10 lakhs w.e.f. 1.1.2016.
(B) General continuous service requirement – Not less than 5 years.
(C) Exception to 5-year requirement – Termination due to death or disablement.
(D) Calculation basis – 15 days' last drawn salary for every completed year or part exceeding 6 months.

Oct/Nov 2010

50. Match the Maternity Benefit Act, 1961 provisions in List I with their eligibility/frequency in List II:
List I: Provisions
P. Facility of crèche
Q. Nursing breaks after resuming duties
R. Medical bonus
S. Minimum days worked for eligibility
List II: Frequency/Eligibility
1. Establishments having 50 or more employees
2. Two breaks in addition to regular rest intervals
3. Rs. 3500/-
4. 80 days in the 12 months preceding delivery
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2007

51. Under the Doctrine of Notional Extension, which of the following must an employee prove to succeed in a compensation claim?
I. There was an accident.
II. The accident had a causal connection with the employment.
III. The accident must have been suffered in the course of employment.
Which of the above statements is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2025

52. Arrange the following labor legislations in the chronological order of their enactment:
I. Minimum Wages Act
II. Payment of Wages Act
III. Industrial Disputes Act
IV. Industrial Employment (Standing Orders) Act
Choose the correct sequence:
(A) II, IV, III, I
(B) II, III, I, IV
(C) IV, II, III, I
(D) I, II, IV, III

May/June 2012

53. Match the Notice Periods in List I with their associated legal requirements in List II:
List I: Notice Periods
P. 21 days' notice
Q. 14 days' notice
R. 60 days
S. 7 days
List II: Legal Requirements
1. Validity period of a strike notification under IR Code 2020
2. Prohibition of strikes after the conclusion of mediation
3. Notice required before an employer can effect changes in service conditions (ID Act 1947)
4. Notice required before an employee can strike (IR Code 2020)
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-4, S-3
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2016

54. Consider the following statements regarding strikes and lockouts under the Industrial Relations Code 2020:
I. Employers must report to the relevant government officer within five days of receiving or announcing a strike/lockout.
II. Strikes are permitted while mediation is in progress, provided a 7-day notice was previously submitted.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2014

55. Identify the correct pair representing the legislation and its year of enactment:
(A) The Employees' State Insurance Act – 1948
(B) The Payment of Wages Act – 1948

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(C) One representative for every twenty percent of the workers, with a minimum 20% support.
(D) Equal representation from all registered trade unions irrespective of their support base percentage.

May/June 2025

15. The general fund of a registered trade union under the Trade Union Act, 1926 CANNOT be spent on which of the following objects?
(A) Payment of salaries and expenses of the office-bearer of the trade union.
(B) Allowances to members or their dependants on account of death, old age, sickness, or accidents.
(C) Expenses of legal proceedings for securing or protecting any right of the trade union.
(D) Expenses incurred by a candidate for election as a member of any legislative body.

Oct/Nov 2019

16. How does the Trade Union Act, 1926 define a 'Trade dispute'?
(A) A dispute concerning employment, terms of employment, or labor conditions between employers and workmen.
(B) A legal conflict between two registered trade unions regarding specific membership jurisdictions.
(C) A disagreement between the central government and an industrial establishment over legal compliance.
(D) A grievance raised by a single workman regarding personal disciplinary actions by the management.

May/June 2009

17. Which of the following statements regarding the Employees' Provident Fund withdrawals is incorrect?
(A) Non-refundable withdrawal of up to 100% of employee contribution can be made for financing an LIC policy.
(B) A member may withdraw the full amount upon retirement after attaining the age of 55 years.
(C) The scheme provides for the transfer of the PF account when leaving one employer and joining another.
(D) Refundable withdrawals can be made for house-building, illness, or marriage of the member's children.

Oct/Nov 2011

18. Under the Bombay Shops and Establishments Act, 1948, what is the maximum number of hours an employee can be asked to work on any single day?
(A) 9 hours
(B) 8 hours
(C) 10 hours
(D) 12 hours

May/June 2010

19. Which condition must be met for a woman to be entitled to maternity leave under the Maternity Benefit Act, 1961?
(A) She must have worked continuously for 240 days in the establishment.
(B) She must have been employed in a managerial capacity for at least one year.
(C) She must contribute equal monetary installments to the social security scheme prior to claiming benefits.
(D) She must have worked for at least 80 days in the 12 months preceding expected delivery.

Oct/Nov 2024

20. What correlation is suggested by global labor data regarding nations with less rigid hiring and firing rules?
(A) They possess more efficient economies, higher wages, and fewer long-term unemployed.
(B) They experience acute union resistance and higher rates of industrial lockouts.
(C) They have lower wages and higher long-term unemployment among workers.
(D) They encounter systemic failure in maintaining social security benefits for the workforce.

NODIA

May/June 2017

21. According to the Industrial Relations Code 2020, the definition of "retrenchment" does NOT include which of the following?
(A) Termination of a workman due to surplus workforce.
(B) Termination resulting from a major shift in the organization's operational strategy.
(C) Termination of fixed-term employment upon completion of tenure.
(D) Termination due to the permanent closure

(B) I, II, III, and IV only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

Oct/Nov 2024

62. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): Payment of gratuity under the Payment of Gratuity Act, 1972 is strictly immune from being attached in the execution of any civil, revenue, or criminal court decree.

Reason (R): Any gratuity payable under a separate employer scheme that exceeds the statutory Act amount is also entirely immune from attachment.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2017

63. Regarding the calculation and payment of bonus under the Payment of Bonus Act, 1965, which of the following statements are true?

I. Gross Profit procedure is given in the First Schedule for banking companies.
II. After deducting specific charges like depreciation and direct taxes, the 'available surplus' is determined.
III. 67 per cent of the available surplus is the 'allocable surplus' for a company.
IV. If an employee's salary exceeds Rs. 7,000, the bonus is calculated as if the salary was Rs. 7,000 or the minimum wage, whichever is higher.

Which of the above statements are correct?

(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2005

64. The registered union of a company decides to spend its general funds to support a local politician's election campaign. Is this permissible under the Trade Union Act, 1926?

(A) Yes, general funds can be utilized for any purpose deemed fit by the executive committee.
(B) Yes, provided at least 51% of the union members vote in favor of the expenditure.
(C) No, political activities must be funded through a separately constituted political fund, not the general fund.
(D) No, trade unions are strictly prohibited from participating in any political activity under all circumstances.

May/June 2020

65. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): If a contractor fails to provide a canteen and rest rooms, the principal employer is legally obligated to provide these amenities under the Contract Labour (Regulation and Abolition) Act, 1970.

Reason (R): The Act places the primary responsibility for the day-to-day supervision of contract laborers solely on the principal employer.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

66. A corporation has an industrial establishment employing 350 workers. The management plans to retrench 40 workers due to a shortage of raw materials. Under the Industrial Relations Code 2020, what procedural step must be taken?

(A) Obtain prior permission from the Government authority before executing the retrenchment.
(B) Pay a severance bonus equivalent to 15 days' salary and proceed immediately.
(C) Inform the employment exchange 15 days in advance of the retrenchment.
(D) Issue a 14 days' notice to the workers and

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can be accumulated up to 42 days.

Oct/Nov 2017

30. What is the purpose of the "set-on" and "set-off" method described in the Fourth Schedule to the Payment of Bonus Act, 1965?
(A) To adjust outstanding employee loans against the minimum statutory bonus payable.
(B) To calculate the proportion of basic pay to be matched by the employer's pension contribution.
(C) To transfer surplus profits into the reskilling fund for the benefit of laid-off employees.
(D) To carry forward excess surplus or bring forward shortages for up to four years.

May/June 2008

31. Arrange the dispute redressal mechanisms provided under the Industrial Disputes Act, 1947 in the structural order they are generally utilized:
I. Referral to the labour court, tribunal, or national tribunal.
II. Constitution of Works Committee.
III. Appointment of Conciliation Officer or Board of Conciliation.
Choose the correct sequence:
(A) I, II, III
(B) II, III, I
(C) III, II, I
(D) II, I, III

Oct/Nov 2013

32. Identify the INCORRECT pair regarding the limits under the Payment of Wages Act, 1936:
(A) Applicability limit – Wages less than Rs. 24,000/- p.m.
(B) Establishments <1,000 employees – Payment before the expiry of the seventh day.
(C) Absence deductions – Can be made for a max period of 15 days if 10 or more act in concert.
(D) Establishments >1,000 employees – Payment before the expiry of the tenth day.

May/June 2015

33. What is the primary role of the Conciliation Officer under the Industrial Disputes Act, 1947?
(A) To impose binding arbitration awards on disputes involving more than 100 workmen.
(B) To mediate and settle industrial disputes while ensuring party attendance.
(C) To unilaterally amend the standing orders of the industrial establishment during a dispute.
(D) To legally prosecute workmen who engage in strikes without providing a 21 days' notice.

Oct/Nov 2012

34. Consider the following statements regarding withdrawals under the EPF Act, 1952:
I. A refundable withdrawal can be made for house-building, financing an LIC policy, and marriage.
II. A non-refundable withdrawal of up to 100% of the employee contribution can be made solely for the purpose of house-building.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2011

35. Match the thresholds under the Industrial Relations Code 2020 in List I with their corresponding requirements in List II:
List I: Thresholds
P. 300 or more workers
Q. 20 or more workers
R. 100 or more workers
S. 50 or more workers
List II: Requirements
1. Layoff provisions apply (under Chapter X equivalent)
2. Constitution of Grievance Redressal Committee
3. Applicability of lay-off and retrenchment provisions (average per working day basis)
4. Constitution of Works Committee
(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-1, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-1, Q-4, R-2, S-3

Oct/Nov 2020

36. Which of the following were included in the broadened definition of "worker" under the Industrial Relations Code 2020?
I. Working journalists as defined in the Working Journalists Act of 1955.

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those sponsored by employment exchanges.
III. The Act requires quarterly and biennial returns regarding employee details.
IV. The Act does not apply to vacancies filled through internal promotion.

Which of the above statements are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

May/June 2008

73. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): Compensation under the Employees' Compensation Act, 1923 is payable only if the accident has a causal connection with the employment.

Reason (R): The Doctrine of Notional Extension extends the employer's premises to include areas the workman passes while going to and returning from the workplace.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

74. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): A registered trade union can constitute a separate fund for political purposes to support candidates for legislative bodies.

Reason (R): The Trade Union Act, 1926 allows the trade union to compel all its members to contribute to the political fund.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2015

75. A dispute arises at an establishment employing 500 workers. To promote amity and good relations, what obligatory internal body must the employer constitute under the Industrial Disputes Act, 1947?
(A) A Negotiating Council.
(B) A Grievance Redressal Committee.
(C) A Board of Conciliation.
(D) A Works Committee with equal representatives of the employer and the workmen.

Oct/Nov 2012

76. Which of the following features accurately describe the provisions regarding Negotiating Unions/Councils under the Industrial Relations Code 2020?
I. A single union is recognized as the sole bargaining union.
II. If multiple unions exist, one with 51% or more workers on the muster roll is recognized as the sole negotiating union.
III. If no union has 51%, a Negotiating Council is formed.
IV. The Negotiating Council comprises representatives of unions having at least 20% total worker support.

Which of the above statements are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2011

77. Seven workers of a factory wish to form a trade union. The factory employs 500 workmen. They submit their application to the Registrar. Will the union be successfully registered under the Trade Union Act, 1926?
(A) Yes, any seven members subscribing their names to the rules can register the union.
(B) No, they require exactly 100 workmen to proceed with the registration.
(C) Yes, but only if they submit an audited statement of assets existing for the past five years.
(D) No, they require at least 10% of the workmen or 100 members, whichever is less.

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outsourced. These typically include services such as sweeping, dusting, and the maintenance of building security. Such outsourcing helps banks focus on their primary financial operations while ensuring that facility management is handled effectively.

26. (D) Remuneration expressible in money, excluding accommodation value, PF contributions, and traveling allowance.
The Minimum Wages Act, 1948, defines wages as all remuneration capable of being expressed in monetary terms if the terms of employment were fulfilled. This definition includes dearness allowances. However, it specifically excludes the value of any house accommodation, supply of light or water, medical attendance, any contribution to a pension or provident fund, and traveling allowances.

27. (A) Organization Competency Identification
HR management functions are divided into administrative, professional, and strategic categories. Administrative functions deal with the operational aspects of managing the workforce, such as recruitment, selection, training, development, and employee retention. Identifying organizational competencies, however, is considered a strategic function as it involves aligning human capital with the long-term mission and competitive goals of the business.

28. (A) 10 members
The Industrial Relations Code, 2020, requires establishments employing twenty or more workers to set up a Grievance Redressal Committee. This committee is responsible for resolving disputes arising out of individual grievances. The law stipulates that the total number of members in this committee must not exceed ten, with equal representation from both the employer and the workers.

29. (C) The Act mandates that employees must work for at least 7 continuous hours before being allowed a rest interval of one hour.
The Bombay Shops and Establishments Act, 1948, regulates working conditions, including daily limits and leave. While it allows for nine hours of work per day and overtime for stock-taking, it also mandates rest intervals. The law requires that no employee shall work for more than five continuous hours without being allowed an interval for rest of at least half an hour.

30. (D) To carry forward excess surplus or bring forward shortages for up to four years.
The Payment of Bonus Act, 1965, uses a mechanism known as "set-on" and "set-off" to ensure stability in bonus payments. This method allows an employer to carry forward excess allocable surplus from one year to the next for the purpose of paying bonuses. Similarly, it allows for the carrying forward of shortages to be adjusted against future surpluses.

31. (B) II, III, I
The Industrial Disputes Act, 1947, provides a structured hierarchy for resolving industrial conflicts. The process generally begins at the internal level with the constitution of a Works Committee to promote amity. If internal resolution fails, a Conciliation Officer or Board of Conciliation is appointed. Finally, unresolved disputes are referred to a labor court, industrial tribunal, or national tribunal.

32. (C) Absence deductions – Can be made for a max period of 15 days if 10 or more act in concert.
The Payment of Wages Act, 1936, allows for deductions for absence from duty under specific conditions. If ten or more persons acting in concert absent themselves without notice and reasonable cause, the employer can make an additional deduction. However, this deduction is limited by law to a maximum amount equivalent to eight days' wages, rather than fifteen days.

33. (B) To mediate and settle industrial disputes while ensuring party attendance.
A Conciliation Officer is appointed by the appropriate government to mediate between employers and workmen during an industrial dispute. Their primary role is to assist the parties in reaching a fair and amicable settlement. They have the power to enter establishments and call for relevant documents to investigate the dispute, ensuring that both parties attend the conciliation proceedings.

34. (C) Both I and II
The Employees' Provident Fund scheme offers different types of withdrawal facilities to its

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(C) I, III, IV, and V only
(D) I, II, IV, and V only

May/June 2019

83. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.
Assertion (A): The traditional role of employee relations is shifting from strict top-down communication to cross-level communication models.
Reason (R): This change encourages people to voice their opinions and helps manage the growing aspirations of diverse age-group employees in the dynamic business environment.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

84. A commercial establishment in Maharashtra employs 60 workers through a contractor. The principal employer refuses to register under the Contract Labour Act, claiming the threshold is 100 workers. Is the employer legally correct?
(A) Yes, the central limit for the Act's applicability was amended to 100 workers everywhere.
(B) Yes, local shops and establishments acts completely exempt commercial establishments from contract labor regulations.
(C) No, in Maharashtra, the threshold limit was enhanced to 50 workers, making registration mandatory.
(D) No, the Act automatically applies to all commercial establishments in Maharashtra irrespective of worker count.

May/June 2023

85. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.
Assertion (A): An employee dismissed for fraud or riotous behavior on the premises is disqualified from receiving a bonus under the Payment of Bonus Act, 1965.
Reason (R): The Act establishes an obligation on the employer to pay a minimum bonus rate of 8.33 per cent irrespective of whether there is an allocable surplus in the accounting year.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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Oct/Nov 2014

86. Which of the following rules govern the Payment of Gratuity Act, 1972?
I. An employee who has completed one year of service must submit a nomination.
II. An employee with no family must nominate one or more family members once he acquires a family.
III. Gratuity can be partially forfeited for willful omission or negligence causing damage to the employer's property.
IV. Payment of gratuity is entirely automatic and does not require the submission of an application form.
Which of the above statements are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, IV only

May/June 2005

87. An industrial establishment wishes to change the rules of discipline and working hours. The management posts a notice and implements the change the next day. The workers object. Under the Industrial Disputes Act, 1947, is the management's action valid?
(A) Yes, management holds the prerogative to unilaterally alter service conditions immediately.
(B) No, the employer must give a 21 days' notice to workmen likely to be affected.
(C) Yes, provided a copy of the notice is also sent

establishment complied with the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959?

(A) Yes, a 10 days' notice is legally sufficient.

(B) Yes, public sector entities are exempt from timelines if they also publish in national newspapers.

(C) No, the establishment must notify the vacancy 30 days prior.

(D) No, the vacancy must be notified at least 15 days before the scheduled interview date.

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industrial establishments.
(D) No, an employee cannot strike without giving 14 days' notice to the employer in advance.

Oct/Nov 2025

94. An employee joining a member bank of the Indian Banks' Association (IBA) in 2012 demands the Management contribution to the Provident Fund under the EPF Act, 1952. Is the employee eligible?
(A) Yes, all bank employees receive EPF Management contribution mandatorily.
(B) Yes, provided the employee withdraws the contribution only for house-building purposes.
(C) No, employees joining IBA banks after 1.4.2010 receive a separate contributory pension scheme.
(D) No, because the EPF Act applies only to the manufacturing sector.

May/June 2012

95. A woman employee at a firm employing 60 workers applies for maternity leave. She has worked for 90 days in the 12 months immediately preceding her expected delivery. How many weeks of maternity leave is she entitled to if she currently has no children?
(A) 26 weeks
(B) 8 weeks
(C) 12 weeks
(D) 42 weeks

Oct/Nov 2016

96. At a firm employing 400 people, an employee earns a basic salary and DA totaling Rs. 15,000 per month. How will the employee's statutory bonus be calculated under the Payment of Bonus Act, 1965?
(A) It will be calculated based on the actual salary of Rs. 15,000 per month.
(B) It will be calculated as if the salary was Rs. 7,000 or the minimum wage, whichever is higher.
(C) It will be calculated on a flat rate of Rs. 21,000 per month.
(D) The employee is entirely ineligible for a bonus as the salary exceeds Rs. 10,000.

May/June 2014

97. A person employed in a clerical capacity is injured in a road accident while commuting from home to the workplace. Under the Employees' Compensation Act, 1923, is the employer liable to pay compensation?
(A) No, the Act does not apply to persons employed in a clerical capacity.
(B) Yes, the injury falls under the course of employment.
(C) Yes, the injury is covered if it occurred within a reasonable time and place.
(D) No, the employer is completely exempted from compensating any employee earning more than Rs. 24,000.

Oct/Nov 2007

98. Upon returning from maternity leave, an employee asks to utilize the company's crèche facility. Is the establishment legally required to have one under the Maternity Benefit Act?
(A) No, the requirement only applies to factories with over 100 female employees.
(B) Yes, every establishment with fifty or more employees is required to provide crèche facilities.
(C) No, a crèche is optional and left to the mutual agreement of the employer and employee.
(D) Yes, but only if the employee agrees to a deduction from her medical bonus.

May/June 2025

99. An employee earning Rs. 25,000 per month approaches a labor court claiming delayed wage payments under the Payment of Wages Act, 1936. Will the employee's claim be covered under the provisions of this specific Act?
(A) Yes, the Act applies to all employees irrespective of their monthly wages.
(B) Yes, provided the employee works in an establishment with more than 1,000 persons.
(C) No, the Act specifically excludes the service industry.
(D) No, the Act covers employees whose wages are less than Rs. 24,000 per month.

Oct/Nov 2019

100. An establishment plans to recruit subordinate staff and notifies the local employment exchange 10 days before the interview date. Has the

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of the workforce. This ensures that employees remain productive, satisfied, and aligned with organizational values.

9. (B) It includes a person subject to the Air Force Act, 1950, or the Navy Act, 1957.
The definition of a workman under the Industrial Disputes Act, 1947, is broad but contains specific exclusions. It covers apprentices and those dismissed or retrenched due to a dispute. However, persons subject to the Air Force Act, 1950, the Army Act, 1950, or the Navy Act, 1957, are explicitly excluded. This exclusion also applies to managerial or administrative staff.

10. (C) Rs. 18,000 per month
The Industrial Relations Code, 2020, updated the definition of a worker to include persons employed in a supervisory capacity. To be classified as a worker under this code, the individual must earn wages not exceeding eighteen thousand rupees per month. If the monthly earnings exceed this threshold, the person is no longer categorized as a worker for these statutory provisions.

11. (D) The workman seeks initial first-aid treatment before presenting himself for a formal medical examination.
Under the Employees' Compensation Act, 1923, an employer is generally liable for injuries arising out of employment. Exemptions apply if the injury is caused by the workman being under the influence of drugs, willful disobedience of safety rules, or if disablement lasts under three days. Seeking medical help or first-aid is not a valid reason to deny compensation liability.

12. (C) The concept that employment includes the time and area used when traveling to or from work.
The Doctrine of Notional Extension provides that employment does not necessarily begin or end at the exact moment a worker starts or stops their specific task. It extends to the time and place where a workman uses a means of transport or a path to reach or leave the workplace. This ensures coverage for accidents occurring during these periods.

13. (A) It must have at least ten percent or one hundred workmen, subject to a minimum of seven.
The registration of a trade union of workmen requires a specific number of members to apply. At least seven members must subscribe their names to the rules of the union. Additionally, the application is valid only if at least ten per cent or one hundred workmen, whichever is less, are members of the union on the date of the application.

14. (C) One representative for every twenty percent of the workers, with a minimum 20% support.
When no single trade union in an establishment has at least fifty-one per cent of workers as members, a negotiating council is constituted. This council consists of representatives from all registered trade unions that have the support of at least twenty per cent of the total workers. Each union gets one representative for every twenty per cent of worker support.

15. (D) Expenses incurred by a candidate for election as a member of any legislative body.
A registered trade union maintains a general fund for administrative and welfare purposes. Permissible expenditures include salaries of office-bearers, legal expenses for protecting union rights, and allowances for members during sickness or old age. However, expenses for political activities, such as supporting candidates for legislative bodies, must be met from a separate political fund and not the general fund.

16. (A) A dispute concerning employment, terms of employment, or labor conditions between employers and workmen.
A trade dispute is defined as any dispute between employers and workmen, or between workmen and workmen, or between employers and employers. Such disputes must be connected with the employment or non-employment of any person. They can also involve the terms of employment or the conditions of labor of any person, reflecting the core focus of industrial relations.

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ANSWERS

1. (D) 50 workmen
The Contract Labour (Regulation and Abolition) Act, 1970 originally applied to establishments with twenty or more workmen. However, the state of Maharashtra introduced a specific amendment to increase this threshold limit. In Maharashtra, the provisions of this legislation now apply to establishments or contractors employing fifty or more workmen on any day of the preceding twelve months.

2. (C) Establishments employing 300 or more employees on any day in the preceding twelve months.
The Industrial Relations Code, 2020, introduces uniform provisions regarding standing orders for industrial establishments. These regulations mandate the preparation of standing orders to define service conditions for employees. This specific requirement applies to every industrial establishment where three hundred or more workers are employed or were employed on any day of the preceding twelve months, ensuring standardized working conditions.

3. (C) Failure to provide work due to shortages of power, raw materials, or natural calamities.
A lay-off refers to the inability, failure, or refusal of an employer to provide employment to a worker whose name is on the muster rolls. This situation typically arises due to external constraints such as shortages of coal, power, or raw materials. It can also occur because of an accumulation of stocks or a breakdown of machinery.

4. (C) Gratuity payment requires the mandatory completion of 5 years of continuous service even if termination is due to death.
The Payment of Gratuity Act, 1972, mandates that gratuity is payable to an employee upon the termination of employment after rendering continuous service for not less than five years. However, this five-year continuous service requirement is waived in specific circumstances. If termination of employment is due to the death or disablement of the employee, gratuity becomes payable immediately.

5. (B) To promote measures securing and preserving amity between the employer and workmen.
A Works Committee is constituted in industrial establishments employing one hundred or more workers to foster industrial harmony. Its primary duty is to promote measures for securing and preserving amity and good relations between the employer and the workmen. The committee comments on matters of common interest and attempts to settle any material differences of opinion.

6. (B) Unilateral deduction for unproven poor performance
The Payment of Wages Act, 1936, strictly regulates the deductions that can be made from an employee's wages. Authorized deductions include those for absence from duty, recovery of advances, and income tax. However, employers cannot unilaterally deduct wages for unproven poor performance. Any deduction for damage or loss requires a proper opportunity for the employee to show cause.

7. (B) A function of planning, organizing, and coordinating functions to achieve organizational goals.
Personnel Management involves the application of management functions to human resources within an organization. It encompasses planning, organizing, directing, and controlling activities related to the workforce. The objective is to ensure that organizational goals are met effectively while maintaining harmonious employee relations. This process treats employees as valuable assets rather than mere administrative subjects to achieve success.

8. (B) Employee Morale and superior performance
Professional functions in human resource management focus on optimizing the human element within an organization. These activities include maintaining high employee morale and driving superior performance through various engagement initiatives. Unlike administrative or strategic tasks, professional functions deal with the psychological and motivational aspects

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Oct/Nov 2020

78. Under the Industrial Relations Code 2020, which of the following statements regarding layoffs, retrenchment, and reskilling are correct?

I. Layoff and retrenchment provisions apply only to establishments with 50 or more workers on average.
II. Laid-off workers with at least one year of continuous service receive 50% of total basic wages and dearness allowance.
III. Factories, mines, and plantations with 300 or more workers need prior government permission for layoffs.
IV. The reskilling fund is equivalent to 15 days of salary of the worker.
V. The reskilling fund must be paid to the worker's account within 45 days after dismissal.

Which of the above statements are correct?

(A) I, II, III, IV, and V
(B) I, II, III, and IV only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2022

79. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): There was a decrease in the number of people employed in firms with greater than 100 workers in India during the 1980s.

Reason (R): This decline was the market's natural response to legislative amendments that increased the rigidity of hiring and firing rules.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

80. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.

Assertion (A): Under the Industrial Relations Code 2020, a Negotiating Council is constituted when no single union satisfies the 51% membership criteria.

Reason (R): The Negotiating Council comprises representatives from only those registered trade unions that possess at least 20% of the total workforce support.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2016

81. Three unions operate at a corporation. Union A has 40% support, Union B has 30% support, and Union C has 30% support on the muster roll. How will collective bargaining be structured under the Industrial Relations Code 2020?

(A) Union A will be recognized as the sole negotiating union.
(B) The management will bypass the unions and negotiate directly with individual workers.
(C) A Negotiating Council will be formed with representatives of unions having at least 20% support.
(D) Union A and Union B will merge to form a 70% majority union automatically.

Oct/Nov 2009

82. Which of the following conditions reflect the provisions of the Contract Labour (Regulation and Abolition) Act, 1970?

I. Establishments employing 20 or more contract laborers on any day in the preceding 12 months are covered.
II. It does not apply to establishments performing work of an intermittent or casual nature.
III. The principal employer must be registered under the Act.
IV. Contractors must provide rest rooms if the contract labour is required to halt at night.
V. Payment of wages is the responsibility of the contractor in the first instance.

Which of the above statements are correct?

(A) I, II, III, and IV only
(B) II, III, IV, and V only

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17. (A) Non-refundable withdrawal of up to 100% of employee contribution can be made for financing an LIC policy.
The Employees' Provident Fund scheme allows members to make withdrawals for various purposes. Full withdrawals are permitted upon retirement at age fifty-five. Non-refundable withdrawals (advances) are available for needs such as house building, medical treatment, or the marriage of children. Withdrawals made specifically for financing a Life Insurance Corporation policy are also classified as non-refundable withdrawals.

18. (A) 9 hours
The Bombay Shops and Establishments Act, 1948, sets strict limits on the working hours of employees in commercial establishments. An employee cannot be required or allowed to work for more than nine hours on any single day. Furthermore, the total working hours in any week must not exceed forty-eight, ensuring the well-being and rest of the workforce.

19. (D) She must have worked for at least 80 days in the 12 months preceding expected delivery.
To be eligible for benefits under the Maternity Benefit Act, 1961, a woman must fulfill a specific service requirement. She must have been actually employed in an establishment for a period of at least eighty days in the twelve months immediately preceding the date of her expected delivery. This condition ensures that the benefit is provided to regular employees of the establishment.

20. (A) They possess more efficient economies, higher wages, and fewer long-term unemployed.
Global data suggests that countries with less rigid hiring and firing rules often experience better economic outcomes. These nations tend to have more efficient economies, which translate into higher wages for the workforce. Additionally, flexible labor markets are associated with lower rates of long-term unemployment, as employers are more willing to hire when they can manage their workforce size effectively.

21. (C) Termination of fixed-term employment upon completion of tenure.
Retrenchment refers to the termination of a worker's service for any reason other than disciplinary action. However, the definition provided in the Industrial Relations Code, 2020, excludes certain types of cessations. Specifically, the termination of the service of a worker as a result of the non-renewal of a fixed-term employment contract or its expiry does not constitute retrenchment.

22. (B) 1.11.2017
The 11th Bipartite Settlement was signed between the Indian Banks' Association and the United Forum of Bank Unions on November 11, 2020. This agreement, which covers wage revision and other service conditions for bank employees, was implemented with retrospective effect. The provisions of this settlement became applicable starting from November 1, 2017, for a period of five years.

23. (D) Transition from top-down communication to bottom-top and cross-level communication.
Large organizations are moving away from traditional, rigid hierarchical communication models. Instead, they are adopting more inclusive approaches that facilitate bottom-top and cross-level communication. This shift allows employees at all levels to voice their opinions and feelings, helping management address the aspirations of a diverse workforce. Such multi-directional communication is essential for maintaining morale in dynamic business environments.

24. (D) The term 'wages' includes basic remuneration and overtime payment, as well as bonus and gratuity payable.
Under the Payment of Wages Act, 1936, the definition of wages includes basic remuneration and overtime payments. However, certain payments are explicitly excluded from this definition. These exclusions include the value of any house accommodation, contributions to provident funds, traveling allowances, and gratuity payable on the termination of employment. Bonus payments are also generally excluded unless part of the remuneration.

25. (B) Banks are permitted to outsource non-core activities such as sweeping and dusting.
Regulatory guidelines permit banks to outsource certain activities to third-party providers to improve efficiency. While core banking functions are generally retained, non-core activities can be

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to the Conciliation Officer simultaneously.
(D) No, changes to working hours require a minimum 60 days' notice under the Act.

Oct/Nov 2022

88. Which of the following parameters accurately describe the Employees' Provident Fund and Miscellaneous Provisions Act, 1952?
I. It is applicable to establishments employing 20 or more persons.
II. The wage limit coverage was enhanced to Rs. 15,000/- per month.
III. The normal rate of contribution is generally 12 per cent of the pay.
IV. The Central Government declares the interest rate to be credited annually.
V. Certain banking sector employees joining after 1.4.2010 may be under a separate contributory pension scheme.
Which of the above statements are correct?
(A) I, II, III, and IV only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2018

89. A Bank decides to outsource its building security, sweeping, and dusting operations to a third-party agency. The union objects. Based on the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and modern regulatory guidelines, is the bank legally permitted to do this?
(A) No, historical notifications strictly prohibit banks from employing contract labour for sweeping, dusting, and watching buildings, with no modern exceptions.
(B) Yes, modern guidelines allow outsourcing in Banks for non-core activities such as sweeping, dusting, and watching buildings.
(C) Yes, provided the bank employs more than 1,000 regular workmen in its core functions.
(D) No, unless the third-party agency registers itself as a recognized trade union under the Trade Union Act, 1926.

Oct/Nov 2006

90. Given below are two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer from the options provided.
Assertion (A): The Industrial Disputes Act, 1947 strictly prohibits strikes and lock-outs in public utility services without giving due notice.
Reason (R): The appropriate government has the power to extend the list of public utility services if it deems necessary.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

NODIA

May/June 2021

91. An employee resigns after completing 6 years and 8 months of continuous service. Her last drawn salary is Rs. 30,000. Under the Payment of Gratuity Act, 1972, how many years will be considered for her gratuity calculation?
(A) 6 years
(B) 7 years
(C) 6.5 years
(D) 15 years

Oct/Nov 2010

92. A company deducts Rs. 2,000 from an employee's salary to recover an approved advance. The employee objects, citing the Payment of Wages Act, 1936. Is the employer's deduction authorized?
(A) No, all deductions from wages are strictly prohibited.
(B) No, deductions can only be made for absence or damages.
(C) Yes, recovery of advances is an explicitly authorized deduction under the Act.
(D) Yes, provided the deduction does not exceed 10% of the basic wage.

May/June 2007

93. The workers of an establishment decide to go on strike due to stalled negotiations. They stop work immediately without notice. Under the Industrial Relations Code 2020, is their action legally compliant?
(A) Yes, concerted casual vacation on any given day is permitted without notice.
(B) Yes, if the strike is supported by the Negotiating Council.
(C) No, strikes are completely prohibited in all

members. Refundable withdrawals are permitted for specific purposes such as building a house, financing life insurance policies, or meeting marriage expenses. Additionally, under certain conditions, a member may be allowed to make a non-refundable withdrawal of up to one hundred per cent of the employee's contribution for house-building.

35. (A) P-1, Q-2, R-4, S-3
The Industrial Relations Code, 2020, sets various worker thresholds for statutory compliance. Establishments with three hundred or more workers require prior government permission for layoffs. A Grievance Redressal Committee is mandatory for those with twenty or more workers. Works Committees are required at one hundred or more workers, while specific layoff and retrenchment compensation provisions apply to establishments with fifty workers.

36. (B) I, II, and III
The definition of a worker has been significantly broadened under the Industrial Relations Code, 2020. It now encompasses working journalists as defined in the 1955 Act and sales promotion employees from the 1976 Act. Furthermore, the code includes individuals working in a supervisory capacity, provided their monthly earnings do not exceed the updated threshold of eighteen thousand rupees.

37. (A) Attracting, managing, nurturing, and retaining talent.
In today's dynamic business environment, human capital is recognized as a vital source of competitive advantage. The most critical challenge facing modern organizations and human resource managers is the ability to attract, manage, nurture, and retain top talent. Effectively managing employee aspirations and engagement is essential for driving organizational success and navigating the complexities of a changing global market.

38. (A) P-1, Q-2, R-3, S-4
Various historical and regulatory milestones shape India's labor and banking landscape. India's labor law rigidity was scored at forty-eight by the World Bank. In July 1969, fourteen major commercial banks were nationalized. The Employment Exchanges Act requires employers to submit quarterly and biennial returns. Additionally, the Banking Regulation Act, a fundamental piece of legislation, was enacted in 1949.

39. (A) Only I
The Bombay Shops and Establishments Act, 1948, mandates that every commercial establishment must remain closed one day per week. Employees are entitled to receive their wages for this mandatory closed day. Regarding leave, if an employee's services are terminated or if they quit, the employer is legally required to pay for any accumulated leave that was not availed.

40. (A) P-3, Q-1, R-2, S-4
Human resource management functions are categorized based on their focus and impact. Strategic functions involve high-level planning, such as defining the organization's mission, vision, and formulating long-term strategies. Professional functions include managing performance reviews and mechanisms to drive excellence. Administrative functions cover the operational day-to-day processes of the department, such as the recruitment and selection of new employees.

41. (D) I, II, and III
The Maternity Benefit Act, 1961, as amended, provides extensive protections for women. It grants twenty-six weeks of paid leave for those with fewer than two children. Establishments with fifty or more employees must provide a crèche facility. Additionally, if the nature of the work allows, an employer may permit a woman to work from home after the maternity leave.

42. (C) If the employment exchange issues a non-availability certificate.
Under the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, public sector banks are generally required to notify and fill subordinate cadre vacancies through employment exchanges. An establishment can only seek candidates from other sources if the employment exchange explicitly issues a non-availability certificate. This ensures that the local employment exchange is given the first opportunity to provide candidates.

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79. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
During the 1980s, India saw a decline in employment within larger manufacturing firms. This trend was largely attributed to legislative changes that made hiring and firing rules significantly more rigid. As a market response, businesses avoided expanding beyond specific worker thresholds to maintain operational flexibility. This historical period highlights how statutory rigidity can influence organizational growth and labor market dynamics.

80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The Industrial Relations Code, 2020, establishes a framework for collective bargaining through a Negotiating Council when no single union represents a majority of the workforce. This council is necessary because a majority of at least fifty-one per cent is required for sole recognition. By including representatives from all unions with at least twenty per cent support, the code ensures broader worker representation.

81. (C) A Negotiating Council will be formed with representatives of unions having at least 20% support.
In an establishment where multiple unions exist but none command fifty-one per cent of worker support, the Industrial Relations Code, 2020, mandates the formation of a Negotiating Council. In this scenario, since Union A, Union B, and Union C all possess at least twenty per cent support, each will be represented on the council for collective bargaining purposes.

82. (A) I, II, III, and IV only
The Contract Labour (Regulation and Abolition) Act, 1970, applies to establishments with twenty or more contract laborers but excludes intermittent work. It requires the registration of the principal employer and mandates specific welfare facilities, such as rest rooms for overnight stays. While the contractor is the primary employer, the Act ensures that laborers are protected through standardized regulations and registration.

83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Traditional employee relations models are evolving to include cross-level and multi-directional communication strategies. This shift is driven by the need to manage the diverse aspirations of a modern workforce in a dynamic business environment. By allowing employees to voice their opinions directly to management, organizations can foster higher levels of engagement and resolve potential issues before they escalate.

84. (C) No, in Maharashtra, the threshold limit was enhanced to 50 workers, making registration mandatory.
In Maharashtra, the applicability of the Contract Labour (Regulation and Abolition) Act, 1970, is governed by a state-specific amendment. While the original central limit was twenty workmen, Maharashtra has enhanced this threshold to fifty workmen. Therefore, a commercial establishment in the state employing sixty workers is legally required to register under the Act and comply with its provisions.

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85. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
The Payment of Bonus Act, 1965, contains specific provisions for both employee disqualification and mandatory payments. An employee can be disqualified from receiving a bonus if they are dismissed for fraud, riotous behavior, or theft on the premises. Separately, the law requires employers to pay a minimum bonus of eight point thirty-three per cent, regardless of the year's allocable surplus.

86. (A) I, II, and III only
The Payment of Gratuity Act, 1972, requires employees to submit a nomination after completing one year of service. If an employee later acquires a family, they must update this nomination. While gratuity can be partially forfeited for causing damage through negligence, the payment is not automatic. The employee must formally submit an application to the employer to receive the benefit.

the Industrial Employment (Standing Orders) Act in 1946 to formalize service conditions. The Industrial Disputes Act was then passed in 1947 to manage labor conflicts. Finally, the Minimum Wages Act was established in 1948 to protect workers' earnings.

53. (A) P-3, Q-4, R-1, S-2
Statutory notice periods are crucial for maintaining industrial peace and procedural fairness. Employers must provide a twenty-one-day notice before changing service conditions. Workers intending to strike must give fourteen days' notice. Under the Industrial Relations Code, a strike notice remains valid for sixty days. Furthermore, strikes are prohibited within seven days after the conclusion of any mediation or conciliation proceedings.

54. (A) Only I
The Industrial Relations Code, 2020, imposes strict reporting requirements for industrial actions. Employers are obligated to notify the appropriate government authorities within five days of receiving a strike notice or announcing a lockout. However, the law prohibits strikes and lockouts while conciliation or mediation proceedings are ongoing, regardless of whether a prior fourteen-day notice was submitted by the parties.

55. (A) The Employees' State Insurance Act – 1948
The Employees' State Insurance Act, a pioneering social security legislation in India, was enacted in 1948 to provide healthcare and cash benefits to workers. Other laws have different enactment dates: the Payment of Wages Act was passed in 1936, the Equal Remuneration Act in 1976, and the Payment of Gratuity Act was established in 1972, rather than 1961.

56. (A) Within 45 days after the worker's dismissal.
The Industrial Relations Code, 2020, introduced a worker re-skilling fund to assist retrenched employees. This fund is comprised of contributions from the employer, specifically an amount equivalent to fifteen days of the worker's last drawn salary. The employer is legally required to credit this amount to the worker's account within forty-five days from the date of their dismissal.

57. (D) I, II, and III
The Registrar has the authority to withdraw or cancel the certificate of registration of a trade union under the Trade Union Act, 1926. This can occur if the certificate was obtained through fraud or mistake. Other grounds include willful contravention of the Act's provisions after receiving notice or the continuation of any rules that are inconsistent with the law.

58. (A) P-3, Q-4, R-1, S-2
Statutory requirements for employee welfare and wage payments vary based on the number of workers employed. Contractors must provide a canteen if they employ one hundred or more laborers. The Central Contract Labour Act applies to twenty or more workers, while Maharashtra's threshold is fifty. In establishments with fewer than one thousand persons, wages must be paid before the seventh day.

59. (A) Only I
Under the Contract Labour (Regulation and Abolition) Act, 1970, contractors are responsible for providing essential amenities like first-aid boxes and clean drinking water to their workers. However, the law ensures worker welfare by making the principal employer ultimately responsible. If a contractor fails to provide these mandated facilities, the principal employer is legally obligated to provide them for the laborers.

60. (A) P-1, Q-2, R-3, S-4
Social security benefits in India are subject to various statutory limits and durations. The maximum gratuity payable to an employee is twenty lakh rupees. General maternity leave is provided for twenty-six weeks, while mothers adopting a child under three months receive twelve weeks. For provident fund coverage under the EPF Act, the mandatory wage ceiling is set at fifteen thousand rupees.

61. (B) I, II, III, and IV only
The Industrial Disputes Act, 1947, serves as the primary framework for labor relations. It defines the appropriate government for various sectors and empowers authorities to prohibit strikes in public utility services. It mandates a twenty-one-day notice for changes in service conditions and allows for voluntary arbitration. Works committees are designed to have equal

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Workers Participation in Management.
(B) It guarantees the absolute elimination of all future Non-Performing Assets in public sector banks.
(C) It smoothens the inter and intra-union rivalries and conflicts.
(D) It enables the organization to avoid or overcome frequent interruption of work due to strikes or lockouts.

May/June 2012

7. How is 'Industrial relations' formally defined?
(A) A field dealing exclusively with non-unionized personnel practices and the individual employment relationship within private corporate structures.
(B) Arriving at solutions between conflicting values like profit vs social gain and discipline vs freedom.
(C) The socio-economic relationships that exist within a specific industry strictly between government bodies and multinational private organizations.
(D) The formal administrative mechanism used by the state to verify union membership before granting any statutory bargaining status.

Oct/Nov 2014

8. Which statement accurately reflects the issue of political affiliation faced by trade unions?
(A) Political parties unify multiple trade unions under a single national ideology, thereby successfully eliminating all forms of inter-union rivalry.
(B) Different political ideologies translate into the unions they sponsor, leading to significant inter-union rivalry.
(C) Political affiliation strictly prevents outside non-employee leaders from participating in any internal trade union activities or negotiations.
(D) Political affiliation ensures that all trade unions follow a strictly non-militant and cooperative approach with private and public employers.

May/June 2019

9. Which of the following statements is INCORRECT regarding the Check-off facility?
(A) It is legally considered an authorized deduction under the specific provisions of the Payment of Wages Act.
(B) A member cannot withdraw salary deduction authority without also resigning from their union membership.
(C) It requires a formal written authorization from the employee for the regular deduction of union membership dues.
(D) It serves as a highly useful tool for employers to decide which specific union should be officially recognized.

Oct/Nov 2006

10. Who led the employees of Buckingham Carnatic mills on a strike in the year 1919, eventually leading to the recognition of the right to form a union?
(A) Shri Narayan Meghjee Lokhanday
(B) The Desai Tribunal
(C) B.P. Wadia
(D) The Sen Tribunal

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May/June 2021

11. Which of the following is NOT a feature of the 'Collective Bargaining' concept?
(A) It is an advanced art to maintain harmonious human relations in the organization.
(B) It is a process to promote and nurture industrial democracy at work.
(C) It is necessarily a complementary but not a competitive process where no party should claim supremacy.
(D) It is a one-time exercise that concludes permanently after a single agreement is reached.

Oct/Nov 2010

12. How is 'Integrative Bargaining' defined?
(A) A competitive process where economic issues like salary scales and allowances are contested in a strictly 'win-loss' distributive manner.
(B) The unilateral implementation of revised wage scales by the board of management without any consultation with trade union representatives.
(C) A negotiation where both parties may gain, or at least neither loses, characterizing a mutually beneficial 'win-win' situation.
(D) An aggressive confrontation between management and workmen aimed at forcing significant policy changes through industrial action and strikes.

of Wages Act, 1936, regulates wage periods and permits authorized deductions, such as those for insurance premiums and cooperative society payments.

71. (A) The employer must contribute an amount equivalent to 15 days of the worker's last drawn salary.
Under the Industrial Relations Code, 2020, an employer has a specific financial obligation when a worker is retrenched. For every retrenched worker, the employer must contribute an amount equivalent to fifteen days of the worker's last drawn salary to the re-skilling fund. This fund is utilized to provide training to the dismissed worker, helping them find new employment opportunities.

72. (B) I, III, and IV only
The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, requires employers to notify vacancies to the exchange at least fifteen days before the interview date. It also mandates the submission of quarterly and biennial returns. However, the act does not apply to vacancies filled through internal promotion, nor does it force an employer to appoint only sponsored candidates.

73. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Compensation under the Employees' Compensation Act, 1923, is predicated on the existence of a causal connection between the accident and the employment. Separately, the Doctrine of Notional Extension recognizes that a workman's employment may legally extend to the time and area used for commuting. While both concepts are true, the extension of premises provides context rather than the underlying reason.

74. (C) Assertion (A) is true, but Reason (R) is false.
A registered trade union is permitted to create a separate fund to support political candidates and activities under the Trade Union Act, 1926. This allows unions to represent their political interests. However, the law strictly prohibits the union from compelling its members to contribute to this specific fund. Contributions must remain entirely voluntary, and non-contributing members must not be penalized.

75. (D) A Works Committee with equal representatives of the employer and the workmen.
The Industrial Disputes Act, 1947, requires any industrial establishment employing one hundred or more workmen to constitute a Works Committee. This body consists of an equal number of representatives from the employer and the workmen. Its primary objective is to promote measures that secure and preserve amity and good relations within the workplace, facilitating the resolution of common issues.

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76. (D) I, II, III, and IV
The Industrial Relations Code, 2020, introduces clear rules for recognizing bargaining agents. A single union with fifty-one per cent or more worker support is recognized as the sole negotiating union. If no union achieves this threshold, a negotiating council is formed. This council includes representatives from all registered trade unions that have the support of at least twenty per cent of workers.

77. (D) No, they require at least 10% of the workmen or 100 members, whichever is less.
Under the Trade Union Act, 1926, the registration of a trade union requires more than just seven founding members in larger establishments. While at least seven members must apply, the union must represent at least ten per cent or one hundred of the workmen, whichever is less, on the date of application. For an establishment with five hundred workers, fifty members are required.

78. (A) I, II, III, IV, and V
The Industrial Relations Code, 2020, standardizes rules for worker protection and re-skilling. Provisions for layoff and retrenchment compensation apply to establishments with fifty or more workers. Permission from the government is mandatory for those with three hundred or more workers. Laid-off workers receive half their basic pay. Additionally, employers must contribute fifteen days' salary to a re-skilling fund within forty-five days.

who has fewer than two surviving children is now entitled to a maximum of twenty-six weeks of maternity leave. This benefit is available to those who have worked for at least eighty days in the preceding year, ensuring comprehensive maternal care.

96. (B) It will be calculated as if the salary was Rs. 7,000 or the minimum wage, whichever is higher.
The Payment of Bonus Act, 1965, applies a calculation ceiling for employees whose salary exceeds a certain limit. For an employee earning fifteen thousand rupees, the bonus is not calculated on the actual salary. Instead, the law requires that the bonus be calculated as if the monthly salary were seven thousand rupees or the minimum wage for the employment, whichever is higher.

97. (A) No, the Act does not apply to persons employed in a clerical capacity.
The Employees' Compensation Act, 1923, is designed to provide financial relief to workers for injuries sustained during employment. However, its coverage is limited to specific categories of workmen listed in Schedule II of the Act. Generally, persons employed in a purely clerical capacity are not covered by these provisions, unless their work falls within one of the specifically enumerated hazardous categories.

98. (B) Yes, every establishment with fifty or more employees is required to provide crèche facilities.
The Maternity Benefit Act, 1961, mandates certain workplace facilities to support working mothers. Every establishment that employs fifty or more employees is legally required to provide a crèche facility. This requirement ensures that mothers can continue their professional duties while having a safe space for their children. The employer must also allow the mother visits to the crèche during her working hours.

99. (D) No, the Act covers employees whose wages are less than Rs. 24,000 per month.
The Payment of Wages Act, 1936, is intended to protect employees in the lower and middle-income brackets from unauthorized deductions and delayed payments. The Central Government periodically updates the wage ceiling for the Act's applicability. Currently, the provisions of this specific legislation apply only to those employees whose monthly wages are less than twenty-four thousand rupees. High earners are generally excluded.

100. (D) No, the vacancy must be notified at least 15 days before the scheduled interview date.
The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, requires employers to notify vacancies to the local employment exchange. To ensure that the exchange has sufficient time to sponsor suitable candidates, the notification must be made at least fifteen days before the date of the interview or test. Failure to adhere to this timeline constitutes non-compliance with the statutory recruitment procedure.

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87. (B) No, the employer must give a 21 days' notice to workmen likely to be affected.
The Industrial Disputes Act, 1947, protects workers from sudden changes in their terms of employment. Under Section 9A, an employer who proposes to effect any change in the conditions of service, such as working hours or discipline rules, must provide a written notice. This notice must be given at least twenty-one days before the proposed changes are implemented.

88. (A) I, II, III, and IV only
The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, applies to establishments with twenty or more employees. It features a mandatory wage ceiling of fifteen thousand rupees for coverage and a standard contribution rate of twelve per cent. The annual interest rate is determined by the Central Government. These parameters provide a consistent social security framework for the organized sector workforce.

89. (B) Yes, modern guidelines allow outsourcing in Banks for non-core activities such as sweeping, dusting, and watching buildings.
Historically, there were strict prohibitions on employing contract labor for certain tasks in banks. However, modern regulatory guidelines have evolved to allow the outsourcing of non-core activities. Banks are now permitted to hire third-party agencies for operations such as building security, sweeping, and dusting. This flexibility allows financial institutions to manage their facilities more efficiently while focusing on their core banking operations.

90. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
The Industrial Disputes Act, 1947, identifies certain essential industries as public utility services and imposes strict notice requirements for strikes and lockouts therein. This ensures the continuity of vital services for the public. The appropriate government has the legal authority to expand this list of services as needed. While both facts are correct, the power to list services describes the scope.

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91. (B) 7 years
Under the Payment of Gratuity Act, 1972, the duration of service is rounded to the nearest whole year for calculation purposes. Any period of service in excess of six months is treated as a full year. Therefore, an employee who has completed six years and eight months of continuous service will have their gratuity calculated based on seven completed years of service.

92. (C) Yes, recovery of advances is an explicitly authorized deduction under the Act.
The Payment of Wages Act, 1936, prohibits unauthorized deductions but lists several specific categories that are permitted. These include deductions for absence, taxes, and the recovery of advances or loans granted to the employee. If an employee has received an approved advance, the employer is legally entitled to recover it through installments or deductions from the employee's monthly wages.

93. (D) No, an employee cannot strike without giving 14 days' notice to the employer in advance.
The Industrial Relations Code, 2020, standardizes the procedure for going on strike across all industrial establishments. It mandates that no employee shall go on strike without giving the employer a notice of at least fourteen days. This requirement is intended to provide a cooling-off period and an opportunity for conciliation before the cessation of work occurs, ensuring industrial stability.

94. (C) No, employees joining IBA banks after 1.4.2010 receive a separate contributory pension scheme.
Employees joining member banks of the Indian Banks' Association after April 1, 2010, are governed by a specific pension framework. Instead of the traditional provident fund and pension arrangements applicable to older employees, these new recruits are covered under a separate contributory pension scheme. This defined contribution model aligns with the broader national shift towards modern, sustainable retirement benefit structures.

95. (A) 26 weeks
The Maternity Benefit Act, 1961, was amended to significantly increase the duration of paid maternity leave for women. A woman employee

representation from both employers and workmen.

62. (C) Assertion (A) is true, but Reason (R) is false.
The Payment of Gratuity Act, 1972, provides a significant legal protection by stating that gratuity payable under the Act is not liable to attachment in the execution of any court decree. This ensures the employee's terminal benefits are preserved. However, this immunity does not automatically extend to any additional amounts paid by an employer that exceed the statutory limits defined.

63. (D) I, II, III, and IV
Calculating the statutory bonus involves several defined steps under the Payment of Bonus Act, 1965. First, gross profit is determined according to the schedules. Specific deductions like depreciation and taxes are then subtracted to find the available surplus. Sixty-seven per cent of this surplus is designated as the allocable surplus for companies. Calculation ceilings apply if the salary exceeds seven thousand rupees.

64. (C) No, political activities must be funded through a separately constituted political fund, not the general fund.
The Trade Union Act, 1926, permits registered trade unions to participate in political activities to represent their interests. However, there are strict financial regulations regarding these activities. A union cannot use its general fund to support election campaigns or political meetings. Instead, it must constitute a separate political fund, and contributions to this fund must be voluntary for all members.

65. (C) Assertion (A) is true, but Reason (R) is false.
Under the Contract Labour (Regulation and Abolition) Act, 1970, the principal employer is legally required to provide amenities like canteens and rest rooms if the contractor fails to do so. This protects the workers' welfare. However, the reason is incorrect because the primary responsibility for the day-to-day supervision and control of contract laborers typically remains with the contractor.

66. (A) Obtain prior permission from the Government authority before executing the retrenchment.
The Industrial Relations Code, 2020, stipulates that establishments employing three hundred or more workers must follow specific procedures for retrenchment. In such large establishments, the employer cannot retrench any worker without obtaining prior permission from the appropriate government authority. This requirement is intended to protect the interests of a large workforce during periods of industrial downsizing or raw material shortages.

67. (C) I, III, and IV only
A registered trade union may establish a separate political fund for activities such as holding political meetings or distributing literature. Crucially, the union cannot compel any member to contribute to this fund. Members who choose not to contribute cannot be excluded from any general union benefits or placed at any disadvantage relative to other members who do contribute to the fund.

68. (C) Assertion (A) is true, but Reason (R) is false.
The Payment of Wages Act, 1936, allows for specific deductions, including up to eight days' wages if ten or more workers absent themselves without notice in concert. However, deductions for damage or loss to employer property cannot be made unilaterally. The law mandates that the employee must be given a fair opportunity to show cause before any such deduction occurs.

69. (A) The principal employer of the manufacturing plant.
The Contract Labour (Regulation and Abolition) Act, 1970, requires that a canteen be provided in establishments where one hundred or more contract laborers are employed. While the primary duty lies with the contractor, the law places the ultimate responsibility on the principal employer. If the contractor fails to provide this mandated facility, the principal employer must fulfill the obligation.

70. (A) I, II, III, and IV only
The Minimum Wages Act, 1948, applies to all scheduled employments, ensuring that workers cannot waive their rights through any agreement. It allows for different wage rates based on locality and type of work. The Payment

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CHAPTER 16

Industrial Relations – Part B

May/June 2016

1. What was the total number of Registered Trade Unions and their total membership in India up to the year 2012?

(A) 12,500 Registered Trade Unions with a total membership of 75.50 lakhs

(B) 16,712 Registered Trade Unions with a total membership of 91.82 lakhs

(C) 18,200 Registered Trade Unions with a total membership of 105.30 lakhs

(D) 20,150 Registered Trade Unions with a total membership of 110.00 lakhs

Oct/Nov 2009

2. Which statement correctly describes a feature of the XIth Bipartite Settlement signed on 11.11.2020?

(A) It mandated a substantial reduction in the basic pay of employees to offset the mounting Non-Performing Assets of the bank.

(B) It abolished the check-off facility for all new generation private banks to discourage the unionization of junior staff members.

(C) It introduced a 15% wage increase along with other benefits for the majority of bank employees and officers.

(D) It exclusively applied to the IT sector employees who had recently formed the specialized Forum for IT Employees (FITE).

May/June 2023

3. What is the definition of the 'Check-off' facility?

(A) An interventionist framework where government officials settle industrial disputes when management and labor fail to reach an agreement.

(B) A decentralized recruitment strategy allowing commercial banks to hire specialized personnel at market-driven salaries independently of industry norms.

(C) A practice where an employer regularly deducts union dues from employees' wages and passes them on to the union.

(D) A strategic bargaining methodology used by unions and management to achieve mutual goals through complex distributive negotiation tactics.

Oct/Nov 2018

4. Which of the following statements is INCORRECT regarding the Performance Linked Incentive (PLI)?

(A) The PLI is payable to Award Staff and officers in Banks which attained a minimum threshold level of net profit.

(B) The PLI matrix decides the amount payable in terms of the number of days of pay (Basic + DA).

(C) The PLI is payable annually in lieu of the normal salary payable to the employees.

(D) The 3rd and 4th slabs of the PLI matrix are payable only if the Bank has a Net Profit.

May/June 2007

5. Conceptually, how does 'Human Relations' differ from 'Industrial Relations'?

(A) Industrial Relations is a more comprehensive framework that encompasses all psychological aspects of Human Relations including individual employee health.

(B) Human Relations includes Industrial Relations along with participative management, employee welfare, and overall organizational development.

(C) Both terms are considered historically synonymous and are used interchangeably in modern organizational behavior and human resource management.

(D) Human Relations pertains exclusively to the collective bargaining process, while Industrial Relations focuses strictly on individual employee grievances.

Oct/Nov 2025

6. Which of the following is NOT considered a benefit of 'Collective Bargaining' (CB) Process?

(A) It encourages Industrial democracy through

NODIA

43. (A) Employees' Compensation Act, 1923 – Schedule III lists occupational diseases.
Various labor laws utilize schedules to detail specific categories and calculations. The Employees' Compensation Act, 1923, includes Schedule III, which lists occupational diseases for which compensation can be claimed. The Payment of Bonus Act, 1965, uses its Fourth Schedule to explain the set-on and set-off mechanism. These schedules provide the necessary technical details required to implement the acts correctly.

44. (A) P-3, Q-4, R-1, S-2
The Payment of Bonus Act, 1965, defines specific financial thresholds for bonus payments. The minimum statutory bonus is set at eight point thirty-three per cent, while the maximum is twenty per cent. Employees earning up to twenty-one thousand rupees per month are eligible. For those earning between seven thousand and the eligibility limit, the bonus is calculated using a seven-thousand-rupee ceiling or the minimum wage, whichever is higher.

45. (B) II and III only
The Industrial Disputes Act, 1947, defines "workman" broadly to include those doing manual, clerical, or technical work, as well as apprentices. However, certain categories are explicitly excluded from this definition. These exclusions apply to persons employed in a managerial or administrative capacity and those subject to the Army Act, 1950, the Navy Act, or the Air Force Act.

46. (B) The work is perennial, of sufficient duration, and done through regular workmen.
The appropriate government has the authority to prohibit the employment of contract labor in any process or operation within an establishment. This decision is based on several criteria, most notably whether the work is of a perennial nature and of sufficient duration. If the work is typically performed through regular workmen in similar establishments, it justifies the prohibition of contract labor.

47. (A) Only I
The Payment of Bonus Act, 1965, applies to all factories and every other establishment that employs twenty or more persons on any day during an accounting year. While there is a general obligation to pay bonuses, new establishments are granted a temporary exemption. They are only required to pay bonuses after five years or once they start showing profits.

48. (A) P-4, Q-1, R-2, S-3
Labor laws in India are classified based on their primary regulatory objective. The Factories Act, 1948, focuses on ensuring safe and healthy working conditions. The Payment of Bonus Act, 1965, is categorized as wage legislation. The Maternity Benefit Act, 1961, provides vital social security for women. Finally, the Apprentices Act, 1961, is designed to regulate employment and industrial training.

49. (A) Maximum limit of payable gratuity – Rs. 10 lakhs w.e.f. 1.1.2016.
The Payment of Gratuity Act, 1972, provides for a statutory terminal benefit. While the maximum limit was previously ten lakh rupees, it was subsequently enhanced to twenty lakh rupees to align with modern economic standards. The act generally requires five years of continuous service, except in cases of death or disablement, and uses fifteen days' salary per year for calculation.

50. (A) P-1, Q-2, R-3, S-4
The Maternity Benefit Act, 1961, includes several welfare provisions with specific eligibility criteria. Establishments with fifty or more employees must provide crèche facilities. Returning mothers are entitled to two nursing breaks daily. A medical bonus of three thousand five hundred rupees is payable if no pre-natal or post-natal care is provided. Eligibility requires eighty days of work in the preceding year.

51. (D) I, II, and III
To successfully claim compensation under the Employees' Compensation Act, 1923, a worker or their dependents must satisfy three key conditions. First, there must be a physical accident or injury. Second, this accident must have a direct causal connection with the nature of the employment. Third, the accident must have occurred during and in the course of employment.

52. (A) II, IV, III, I
India's labor legislation framework evolved over several decades. The Payment of Wages Act was enacted first in 1936. This was followed by

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May/June 2005

13. Which statement is correct regarding the nature of bi-partite settlements for workmen in banks?
(A) Settlements between management and Workmen Unions having legal sanctity under the Industrial Disputes Act, 1947.
(B) They are entirely non-statutory arrangements that hold no legal sanctity even after being formally entered into by both parties.
(C) They are signed as non-binding 'Joint Notes' and require subsequent legislative amendments to the Officers' Service Regulations.
(D) They allow individual bank branches to independently decide their own salary structures and specific working hours for employees.

Oct/Nov 2022

14. What is the fundamental assumption upon which trade unions work regarding the workplace?
(A) Maximum organizational productivity must be achieved at the absolute lowest cost possible regardless of the impact on long-term employee welfare.
(B) The management must surrender its operational authority to the trade union leaders to maintain long-term industrial peace and harmony.
(C) Workers should receive fair wages, work reasonable hours, and perform their duties in a supportive and encouraging environment.
(D) Disciplinary action against any active union member must be completely abolished to foster a culture of mutual trust and respect.

May/June 2018

15. Which of the following is NOT a stated objective of 'Industrial Relations'?
(A) To safeguard the interest of labor and management by securing mutual understanding.
(B) To avoid industrial conflict or strife and develop harmonious relations.
(C) To eliminate or minimize the number of strikes, lockouts, and gherao.
(D) To maximize high turnover and frequency absenteeism in an era of full employment.

Oct/Nov 2016

16. In the context of Industrial Relations, what does the term 'Industry' specifically refer to?
(A) Any productive activity in which an individual or a group of individuals is engaged.
(B) The physical infrastructure and machinery utilized in the manufacturing of durable consumer goods.
(C) The collective bargaining process between the trade union leaders and the external political affiliates.
(D) A government-regulated sector that excludes private sector participation and outsourced staff.

NODIA

May/June 2014

17. Which of the following is an INCORRECT principle to be followed on the part of Trade Unions during Collective Bargaining?
(A) They should advocate policy violations to ensure their demands are met quickly.
(B) They should maintain balanced Emotional Intelligence (EI).
(C) They should not project trivial issues, such as raising issues of members of other unions.
(D) They should exhibit a good, conciliatory, and flexible attitude.

Oct/Nov 2007

18. In which year was the first bi-partite settlement in the banking industry concluded?
(A) October 1966
(B) October 1970
(C) August 1979
(D) September 1983

May/June 2025

19. Which statement is correct regarding the unionization of IT sector employees in recent times?
(A) IT employees have historically been the strongest proponents of militant trade unionism and industrial action since the early 1950s.
(B) IT employees are statutorily barred by federal law from forming any professional forums or approaching any Regional Labour Commissioners.
(C) Global IT companies like Cognizant and TCS actively sponsor the formation of trade

(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2005

68. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Bi-partite settlements for Award Staff in banks have legal sanctity once entered into and can be readily implemented.
Reason (R): Workmen in banks are governed by the provisions of the Industrial Disputes Act, 1947, which grants legal sanctity to such agreements.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

69. Read the following scenario and answer the questions that follow.
By utilizing the facility mentioned in the previous question, which external authority's role has been actively dispensed with for the purpose of adjudging the majority union for appointing the representative Director?
(A) The Asst./Regional Labour Commissioners
(B) The specialized industrial Sen Tribunal
(C) The Indian Banks' Association (IBA)
(D) The Central Bureau of Investigation

Oct/Nov 2015

70. Consider the following essential pre-requisites for successful collective bargaining:
I. An active and militant trade union.
II. A completely non-responsive employer who dictates terms.
III. A clear understanding of desired goals on the part of workers.
IV. Positive attitudes and faith in the process by both parties.
V. Avoidance of unfair labour practices.
Which combination of statements is correct?
(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, IV, and V only

May/June 2013

71. Read the following scenario and answer the questions that follow.
During the same negotiations at LMN Bank, the trade union approaches the table with a hostile attitude and fixed pre-discussion conclusions. According to the stated principles, this behavior explicitly violates the guidelines set for:
(A) The Collective Bargaining Process on the part of Trade Unions
(B) The Government's Role in adjudication
(C) The implementation of the Performance Linked Incentive (PLI)
(D) The formation of Officers' Service Regulations (OSR)

Oct/Nov 2021

72. Consider the following statements regarding the present scenario and emerging changes in banking salary settlements:
I. There is a debate on whether individual banks should have the liberty to decide their salary related issues.
II. Weaker banks might find the agreed incremental burden of industry-wide settlements very high.
III. Stronger banks prefer industry-wide caps to prevent attracting and retaining the best talent.
IV. The matter of heralding bank-wise wage settlements is still on the agenda of the Government of India.
Which combination of statements is correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2024

73. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): During the pendency of an industrial dispute before a tribunal, employers are legally permitted to declare a lock-out to pressure the union.
Reason (R): The Industrial Disputes Act, 1947,

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to infuse capital into ailing banks while maintaining strict government oversight of operational efficiency.
(D) A negotiation where one party's gain is another's loss, representing a 'win-loss' distribution of a fixed set of resources.

May/June 2020

27. Which of the following is NOT one of the three basic principles on which trade unions traditionally function?
(A) Distributive haggling for individual merit
(B) Unity is strength
(C) Equal pay for equal work
(D) Security of service to ensure social and economic security

Oct/Nov 2015

28. On which date was the XIth Bipartite Settlement signed, giving effect retrospectively from 1.11.2017?
(A) 31.10.2017
(B) 11.11.2020
(C) 01.11.2020
(D) 31.03.2021

May/June 2013

29. Which of the following statements is INCORRECT regarding the weaknesses of Trade Unionism in the Banking Industry?
(A) Multiplicity of unions leads to frequent clashes and vitiates the atmosphere.
(B) Due to uncontrolled growth and absence of functional unity, many unions claim incorrect membership numbers.
(C) There is a significant surplus of effective leadership among the new generation employees stepping into the banks.
(D) Some workers remain apprehensive that being a trade union member will not be liked by the employer, leading to victimization.

Oct/Nov 2021

30. In the context of improving industrial relations, what does the concept of 'Mutual Accommodation' signify?
(A) Employers must provide free high-quality housing facilities to all unionized staff members residing near the primary industrial workplace.
(B) Employers must adopt a strictly uncompromising and authoritative attitude to maintain organizational discipline and managerial control.
(C) Unions must accommodate all strategic management decisions without ever raising collective grievances or pursuing industrial actions.
(D) Employers recognize collective bargaining rights and adopt a "give and take" approach instead of a confrontational attitude.

May/June 2024

31. Which of the following represents the correct chronological order of the bi-partite settlements in the banking industry?
(A) October 1966, October 1970, August 1979, September 1983
(B) October 1970, October 1966, September 1983, August 1979
(C) August 1979, September 1983, October 1966, October 1970
(D) September 1983, August 1979, October 1970, October 1966

Oct/Nov 2008

32. Identify the INCORRECT pair of the Trade Union / Federation in banks and its abbreviation.
(A) Bank Employees Federation of India - BEFI
(B) National Confederation of Bank Employees - NCOBE
(C) National Organisation of Bank Workers - NOBW
(D) Indian National Bank Employees' Federation - INBEF

May/June 2006

33. What is the primary purpose of the tripartite agreement devised by the Government of India in April 2017?
(A) To dissolve and permanently deregister all existing trade unions currently operating in Public Sector Banks.
(B) Enhancing commitment to revive ailing banks through turn-around strategies tied to capital infusion.
(C) To permanently freeze all employee wage increases and completely halt the collective bargaining process.
(D) To transfer all critical bank back-office functions directly to the jurisdiction of the Labour Commissioners.

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ailing banks.
II. It requires an agreement solely between the Government of India and Bank management, excluding the unions.
III. It provides impetus for enhancing commitment levels for bank turn-around among the management, Unions, and members.

Which combination of statements is correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

Oct/Nov 2018

46. During the pre-independence days, what fueled the growth of a militant movement in areas where workers felt exploited?
(A) The immediate adoption of computerization and core banking solutions.
(B) Social imbalances, oppression of the have-nots, and a higher level of literacy.
(C) The rapid increase of Performance Linked Incentives in the unorganized sector.
(D) The establishment of multiple BPOs and KPOs offering fixed time scales.

May/June 2007

47. Consider the following statements regarding the concept of Collective Bargaining:
I. It is an advanced art to maintain harmonious human relations in the organization.
II. It is necessarily a competitive process where one party must ultimately claim supremacy over the other.

Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2025

48. Match the Trade Unions in List I with their corresponding full forms in List II.
List I: (Trade Union)
P. INTUC
Q. AITUC
R. HMS
S. CITU
List II: (Full Form)
1. Centre of Indian Trade Union
2. Indian National Trade Union Congress
3. Hind Mazdoor Sabha
4. All India Trade Union Congress
(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2012

49. According to the PLI matrix applicable from FY-2020-21, which of the following is an INCORRECT pair of YoY Growth in Operating Profit and the corresponding number of days for which salary shall be paid?
(A) < 5% - Nil
(B) 5% to 10% - 5 days
(C) >10% to 15% - 12 days
(D) >15% - 15 days

Oct/Nov 2014

50. Match the YoY Growth in Operating Profit in List I with the corresponding number of days for which Salary shall be paid as PLI in List II.
List I: (YoY Growth in Operating Profit)
P. < 5%
Q. 5% to 10%
R. >10% to 15%
S. >15%
List II: (PLI Days)
1. 10 days
2. Nil
3. 15 days
4. 5 days
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2019

51. Consider the following steps in a typical Collective Bargaining Process:
I. The union writes to the employer making a new demand.
II. The employer immediately accedes to the demand without negotiations to avoid strikes.
III. The union may decide to intensify action and give notice of non-cooperation if the process continues without resolution.

Which combination of statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only

NODIA

career progression.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2020

40. Match the Officers' Organisations in List I with their correct abbreviations in List II.
List I: (Organisation Name)
P. All India Bank Officers' Confederation
Q. All India Bank Officers' Association
R. Indian National Bank Officers' Congress
S. National Organisation of Bank Officers
List II: (Abbreviation)
1. AIBOA
2. INBOC
3. NOBO
4. AIBOC
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2022

41. Consider the following statements regarding the PLI matrix applicable from FY-2020-21:
I. If YoY Growth in Operating Profit is < 5%, the PLI payable is Nil.
II. If YoY Growth in Operating Profit is between 5% to 10%, the PLI payable is 5 days, regardless of whether there is a Net Profit.
III. The 3rd and 4th slabs (>10% growth) are payable only if the Bank has a Net Profit.
Which combination of statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2023

42. What is one major advantage of a disciplined trade union in the context of the collective bargaining process?
(A) It enables the union to force the employer into accepting extreme demands that may bleed the unit financially.
(B) It allows the union leadership to completely bypass the employer and negotiate directly with the central government.
(C) Ensuring workers act in cohesion, as group solidarity is more powerful than any individual effort.
(D) It restricts the bank management from implementing any necessary technological advancements or digital tools in the workplace.

May/June 2016

43. Which of the following pairs accurately describes the nature of the bargaining type?
(A) Distributive Bargaining - 'win-win' situation conducive for cordial relations.
(B) Integrative Bargaining - Both parties may gain, or at least neither one loses.
(C) Integrative Bargaining - 'win-loss' situation involving straight-out haggling.
(D) Distributive Bargaining - Focuses solely on better job evaluation systems without economic issues.

Oct/Nov 2009

44. Match the importance of 'Industrial Relations' in List I with their resulting outcomes in List II.
List I: (Importance)
P. Uninterrupted production
Q. Reduction in Industrial Disputes
R. High morale
S. Reduced Wastage
List II: (Outcome)
1. Cures the failure of basic human urges and motivations, preventing strikes and lockouts.
2. Every worker feels himself/herself as co-owner of the gains of industry, increasing productivity.
3. Resources like raw materials and time are fully utilized due to continuous employment.
4. Achieved on the basis of cooperation and recognition, protecting the interests of all stakeholders.
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-3, R-4, S-2
(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2023

45. Consider the following statements regarding the tripartite agreement in the banking sector:
I. It was devised by the Government of India in April 2017 to infuse more capital into

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unions to promote distributive bargaining strategies.
(D) Facing livelihood threats from layoffs, IT employees in cities like Hyderabad and Bengaluru formed the forum named FITE.

Oct/Nov 2019

20. What internal mechanism has dispensed with the need for verification of membership by Labour Commissioners for appointing employee/officer representative Directors?
(A) The 'Check-off' system using salary deductions
(B) The industry-wide bi-partite settlement mechanism
(C) The Performance Linked Incentive (PLI) matrix
(D) The Joint Notes signed under the Officers' Service Regulations

May/June 2009

21. Which of the following is NOT an essential pre-requisite for successful collective bargaining?
(A) An active and militant trade union
(B) A responsive employer
(C) A strict reliance on individual bargaining rather than group solidarity
(D) Positive attitudes and faith in the collective bargaining process on the part of both parties

Oct/Nov 2011

22. In which city was the first Trade Union founded by Shri Narayan Meghjee Lokhanday in the year 1890?
(A) Calcutta
(B) Bombay
(C) Madras
(D) Ahmedabad

May/June 2010

23. What is the fundamental reason new generation employees in banks pose a threat to the survival of Trade Unions?
(A) They are actively seeking external professional leadership to completely restructure traditional union hierarchies and bargaining methods.
(B) They are predominantly focused on broad political affiliations and national ideologies rather than the basic principles of trade unionism.
(C) They prefer the formation of parallel independent Officers' Associations instead of participating in established workmen unions and federations.
(D) They are career-focused, rely on individual merit for progression, and are generally reluctant to join traditional unions.

Oct/Nov 2024

24. Which of the following statements is INCORRECT regarding the interested groups in Industrial Relations?
(A) The workers want higher wages, good working conditions, and other benefits like medical insurance.
(B) The government's responsibility is to ensure that there is an atmosphere of industrial peace and harmony.
(C) During the pendency of a dispute before the tribunal, employers cannot declare a lock-out.
(D) The employers aim for maximum productivity at the highest possible cost to ensure worker satisfaction.

NODIA

May/June 2017

25. Which of the following is an accurate objective of 'Industrial Relations'?
(A) To maximize the frequency of employee absenteeism as a legitimate tool to enforce statutory workers' rights and demands.
(B) Promoting industrial democracy through labor partnership in sharing profits and participating in managerial decisions.
(C) To encourage high rates of employee turnover in order to bring fresh talent into the organization on a continuous basis.
(D) To centralize all strategic decision-making authority exclusively in the hands of the corporate chief executive officer.

Oct/Nov 2005

26. What defines 'Distributive Bargaining' within the collective bargaining process?
(A) A collaborative negotiation strategy focused on mutual interests where both parties gain, resulting in a sustainable 'win-win' scenario.
(B) A technical discussion regarding the implementation of better job evaluation systems and modern training programmes for skilled bank employees.
(C) A strategic tripartite agreement designed

(D) I, II, and III

Oct/Nov 2006

52. Which of the following represents the correct chronological order of the mechanisms that set the working conditions of workmen in banks prior to the bipartite settlements?
(A) Sen Award, Sastry Award, LAT Award, Desai Tribunal
(B) Sastry Award, Sen Award, Desai Tribunal, LAT Award
(C) Desai Tribunal, LAT Award, Sastry Award, Sen Award
(D) LAT Award, Sen Award, Sastry Award, Desai Tribunal

May/June 2021

53. Match the respective Bi-partite settlements in List I with their conclusion months and years in List II.
List I: (Settlement)
P. Fourth bi-partite settlement
Q. Fifth bi-partite settlement
R. Sixth bi-partite settlement
S. Seventh bi-partite settlement
List II: (Month and Year)
1. February, 1995
2. March, 2000
3. September, 1983
4. April, 1989
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-3, R-2, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2010

54. Consider the following statements regarding the Check-off facility in the banking industry:
I. It serves as an authorized deduction under the Payment of Wages Act.
II. A member withdrawing the authority given to the employer for salary deduction automatically constitutes a formal resignation from the membership of the union.
Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2005

55. Which of the following pairs of Bi-partite Settlement and its corresponding month/year is CORRECT?
(A) Tenth bi-partite settlement - May 2015
(B) First bi-partite settlement - August 1979
(C) Third bi-partite settlement - October 1966
(D) Sixth bi-partite settlement - March 2000

Oct/Nov 2022

56. In the context of the significance of industrial relations, what does 'Mental Revolution' primarily entail?
(A) An outlook where all parties consider themselves as partners, recognizing each other's interests and authority.
(B) A management strategy that utilizes strong pressure tactics to suppress legitimate union demands and industrial actions.
(C) The process of exclusively focusing on distributive bargaining tactics to maximize immediate individual monetary gains.
(D) The psychological testing of all new recruits to ensure they do not possess any pro-union or socialist inclinations.

May/June 2018

57. Consider the following statements regarding the traditional basic principles of unions:
I. Unity is strength.
II. Equal pay for equal work.
III. Ensuring social and economic security through militant boycotts as the primary and only tool.
Which combination of statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2016

58. Match the Weaknesses of Trade Unions in List I with their accurate descriptions in List II.
List I: (Weakness)
P. Trade union rivalry
Q. Outside leadership
R. Political affiliation
S. Apprehensions of workers
List II: (Description)
1. Leaders do not have proper appreciation of the problem faced by workers as they are not from the unit.

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Oct/Nov 2017

34. Consider the following statements regarding the resolution of issues for bank employees:

I. Bipartite settlements for workmen hold legal sanctity under the Industrial Disputes Act, 1947 once entered into.

II. Conclusions arrived at for bank officers are signed as 'Joint Notes', which are statutory documents requiring no further amendments to regulations.

Which of the statements is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2008

35. Match the respective Bi-partite settlements in List I with their conclusion months and years in List II.

List I: (Settlement)

P. Eighth bi-partite settlement
Q. Ninth bi-partite settlement
R. Tenth bi-partite settlement
S. Eleventh bi-partite settlement

List II: (Month and Year)

1. April, 2010
2. November, 2020
3. June, 2005
4. May, 2015

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-4, R-2, S-3
(C) P-4, Q-2, R-3, S-1
(D) P-2, Q-3, R-1, S-4

Oct/Nov 2013

36. Consider the following statements distinguishing Industrial Relations from Human Relations:

I. Human relations is a narrower concept that only deals with non-unionized staff.

II. Industrial relations pertains specifically to the study and practice of collective bargaining, trade unionism, and labor-management relations.

III. Human relations includes Industrial relations as well as participative management, employee welfare, and development.

Which combination of statements is correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2015

37. What is described as the most potent threat that unions face today?

(A) Rejection by new generation employees who are highly confident in their own merit and career abilities.
(B) The strict and uncompromising enforcement of the specific provisions of the Trade Unions Act, 1926.
(C) The complete and permanent abolition of the check-off facility by the Central Government of India.
(D) The shift of trade union leadership and control exclusively to large multinational and private organizations.

NODIA

Oct/Nov 2012

38. Match the Principles of Collective Bargaining Process in List I with their appropriate category in List II.

List I: (Principle)

P. Must be mutual confidence, good faith and desire to make CB effective
Q. Keep the membership in the meeting as small as possible
R. Do not encroach upon the rights and functions of Management
S. Treat CB as a process to find best possible solutions, prioritizing Integrative Bargaining

List II: (Category)

1. On the part of Trade Unions
2. On the part of both Management and Trade Unions
3. On the part of Trade Unions
4. On the part of both Management and Trade Unions

(A) P-2, Q-1, R-4, S-3
(B) P-4, Q-3, R-1, S-2
(C) P-1, Q-2, R-4, S-3
(D) P-3, Q-4, R-2, S-1

May/June 2011

39. Consider the following statements regarding new generation employees and trade unions:

I. New generation employees are highly eager to be unionized because they lack confidence in their own merit.

II. Trade unions face a threat to their survival as employees in new generation organizations do not feel the need for external help for

May/June 2009

63. Consider the following statements regarding the ways to improve the Industrial Relations situation:

I. A strong and stable union in each industrial enterprise is essential.
II. Employers must adopt an uncompromising attitude rather than mutual accommodation.
III. Management should sincerely implement the agreements reached with the trade unions in letter and spirit.
IV. The Government should play an active role by making laws for compulsory recognition of a representative union.

Which combination of statements is correct?

(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

Oct/Nov 2011

64. Read the following scenario and answer the questions that follow.

XYZ Bank, a Public Sector Bank, is suffering from mounting NPAs and posting net losses. In April 2017, the Government of India devised a package to infuse more capital into the bank. What was a primary condition subject to which this capital was infused?

(A) The signing of a comprehensive bipartite settlement exclusively between the management board and the officers.
(B) The complete privatization of the bank under the specific provisions of the Banking Regulation Act, 1949.
(C) A tripartite agreement between the Government of India, Bank management, and the representative Unions.
(D) Abolishing all existing trade unions within the bank premises within a strict six-month timeframe.

May/June 2010

65. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): The 'check-off' facility concept has been completely discarded in recent amendments for appointing workmen Directors in Nationalized Banks.

Reason (R): The check-off facility provides a reliable and mathematically verifiable method for determining union membership for statutory appointments.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

66. Read the following scenario and answer the questions that follow.

The change in the union's mindset at XYZ Bank, moving away from an agitational path and realizing that their survival depends on channelizing efforts towards bank-building activities and better customer service, aligns most closely with which conceptual objective of Industrial Relations?

(A) Promoting a complete Mental Revolution on the part of both workers and management.
(B) Vesting proprietary interests solely in the hands of the government.
(C) Maximizing distributive bargaining to extract the highest possible short-term wages.
(D) Fostering outside leadership to handle internal bank disputes.

May/June 2017

67. Consider the following statements regarding the weaknesses of Trade Unionism in the Banking Industry:

I. Trade union rivalry often culminates in violence and is detrimental to workers' interests.
II. Different political ideologies sponsor different unions, resulting in inter-union rivalry.
III. Proliferation of unions ensures high functional unity and strictly accurate membership claims.
IV. Outside leaders often lack a proper appreciation of the problems faced by the workers of the unit.

Which combination of statements is correct?

(A) I, II, and III only
(B) I, II, and IV only

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2. Multiple unions attempting to achieve goals through fair and unfair means, sometimes culminating in violence.
3. Workers are afraid that union membership will not be liked by the employer and they will be victimized.
4. Differing ideologies of sponsoring parties result in inter-union conflict.

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

May/June 2014

59. Consider the following statements regarding the historical background of the trade union movement:

I. The first Trade Union in India was founded by Shri Narayan Meghjee Lokhanday in Bombay in 1890.
II. The spectacular growth of trade unions in the 1960 to 2000 period was completely devoid of any continuous support from political parties.

Which of the statements is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2007

60. Match the ways to improve Industrial Relations in List I with their descriptions in List II.

List I: (Improvement Method)
P. Strong and Stable Union
Q. Mutual Trust
R. Sincere Implementation of Agreements
S. Sound Personnel Policies

List II: (Description)
1. Formulated in consultation with workers, clearly stated, and uniformly implemented.
2. Both ends must ensure follow-up of settlements; otherwise, both stop trusting each other.
3. Essential to represent the majority of workers; a weak union can be easily ignored by employers.
4. Management adopts a progressive outlook; unions persuade members to work for common objectives.

(A) P-4, Q-1, R-2, S-3
(B) P-3, Q-4, R-2, S-1
(C) P-2, Q-3, R-1, S-4
(D) P-1, Q-2, R-4, S-3

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May/June 2025

61. Consider the following statements regarding the challenges faced by trade unions with new generation employees:

I. New generation employees are entering banks with varied drives, desires, and needs.
II. These employees are less career-minded and highly eager to be unionized.
III. They are confident in their own merit and ability for career progression.
IV. They do not fully understand the traditional concept of job security, as jumping jobs is considered a norm.
V. They rely heavily on fixed time scales and seniority of the unionised environment over merit awards.

Which combination of statements is correct?
(A) I and II only
(B) I, III, and IV only
(C) III, IV, and V only
(D) I, II, IV, and V only

Oct/Nov 2019

62. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): A bank employee's union membership cannot be tracked if they withdraw the salary deduction authorization from the employer.

Reason (R): A member may withdraw the authority given to the employer for check-off without formally resigning from the membership of the union, meaning the union will still show them as a member despite no salary deductions.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

prohibits strikes and lock-outs while a dispute is pending before a Labour Court or Tribunal.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

74. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Distributive bargaining is considered a 'win-loss' situation which is not conducive for maintaining cordial industrial relations.
Reason (R): Distributive bargaining involves a straight-out haggling over economic issues like wages, where one party's gain is strictly another party's loss.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

75. Read the following scenario and answer the questions that follow.
XYZ Bank manages to achieve an 8% YoY growth in Operating Profit at the end of the financial year. However, due to heavy provisioning for past NPAs, it posts NO Net Profit for the year. According to the PLI matrix, how many days of salary (Basic + DA) will be paid as PLI to the employees?
(A) Nil
(B) 5 days
(C) 10 days
(D) 15 days

Oct/Nov 2017

76. Consider the following statements regarding the objectives of 'Industrial Relations':
I. To avoid industrial conflict or strife and develop harmonious relations.
II. To raise productivity to a higher level by increasing high turnover and absenteeism.
III. To eliminate or minimize strikes, lockouts, and gherao by providing reasonable wages.
IV. To establish and promote the growth of an industrial democracy based on labor partnership.
Which combination of statements is correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

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May/June 2008

77. Read the following scenario and answer the questions that follow.
The frequent clashes and violence among the 5 competing unions in ABC Bank, resulting from their attempts to achieve goals through both fair and unfair means, represent which specific weakness of trade unionism?
(A) Outside leadership
(B) Apprehensions of workers
(C) Political affiliation
(D) Trade union rivalry

Oct/Nov 2013

78. Consider the following statements defining the features of Collective Bargaining:
I. It is a method of sophisticated confrontation between the management and employees.
II. It is a one-time exercise that resolves all future disputes permanently.
III. It comprises two contending parties of equal strengths but having conflicting interests.
IV. It is relatively flexible and dynamic but not static.
V. It aims at preparing the level playing ground for mutual trust and goodwill.
Which combination of statements is correct?
(A) I, II, III, and IV only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, IV, and V only

May/June 2015

79. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two

statements carefully and select the correct answer.

Assertion (A): Different unions attempting to join a common platform and pursue goals unitedly is considered a positive development in industrial relations.

Reason (R): Multiplicity of unions often vitiates the atmosphere, leading to frequent clashes and violence, making a united platform a much-needed remedy.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

80. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): 'Industrial Relations' is a more comprehensive framework than 'Human Relations' because it encompasses psychological aspects and individual organizational development.

Reason (R): Industrial Relations is primarily concerned with the collective relationship between management, trade unions, and the government.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

81. Read the following scenario and answer the questions that follow.

The management of LMN Bank and the majority union are entering into negotiations for a new comprehensive welfare scheme. The management insists on a strict "take it or leave it" policy, refusing any compromise. This approach directly violates which essential measure for improving industrial relations?

(A) Sincere Implementation of Agreements
(B) Sound Personnel Policies
(C) Mutual Accommodation
(D) Check-off Facility

Oct/Nov 2020

82. Consider the following statements regarding the historical background of the trade union movement:

I. The genesis of the trade union movement lies in the socio-political environment of the pre-independence era.
II. West Bengal was the first place in India to gain legitimacy with an elected Marxist government in the fifties.
III. The first Trade Union in India was founded in 1890.
IV. Early unions were aimed at promoting welfare activities, spreading literacy, and redressing grievances.
V. The political affiliation of trade unions ceased completely immediately after Independence.

Which combination of statements is correct?

(A) I, II, III, and IV only
(B) I, III, and IV only
(C) II, III, IV, and V only
(D) I, II, IV, and V only

May/June 2022

83. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.

Assertion (A): Trade Unions in banks are facing a leadership shortage and weakening in terms of their ability to bargain.

Reason (R): Old generational employees who provided effective leadership are retiring, and new generation employees are reluctant to be unionized.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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Oct/Nov 2023

84. Read the following scenario and answer the questions that follow.
If an employee of ABC Bank withdraws the written authorization given to the employer for the deduction of union dues from their salary, but does not formally resign from the union, what is the official consequence for the union's records?
(A) The trade union is legally forced by the Registrar to expel the member from its rolls immediately.
(B) The employee automatically becomes a registered member of a rival union with the same political affiliation.
(C) The union lists the employee as a member, despite receiving no fees through salary deductions.
(D) The bank management immediately terminates the employee for violating the terms of the signed check-off agreement.

May/June 2016

85. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): The conclusions arrived at for bank officers regarding wage revisions are signed as 'Joint Notes' which are inherently non-statutory.
Reason (R): Officers in the banking industry are not covered under the Industrial Disputes Act, 1947, requiring amendments to the Officers' Service Regulations to translate Joint Notes into statutory law.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

86. Consider the following statements regarding the benefits of the 'Collective Bargaining' Process:
I. It enhances mutual trust, understanding, and goodwill among the management and unions.
II. It serves as an effective tool for healthy communication, helping maintain cordial Industrial Relations.
III. It aggravates inter and intra-union rivalries.
IV. It provides feasible means for adjustment of wages in tune with the changing economic kaleidoscope.
Which combination of statements is correct?
(A) I, II, and IV only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and III only

May/June 2023

87. Read the following scenario and answer the questions that follow.
In the context of XYZ Bank's turnaround plan, the union shifts its focus away from strictly demanding higher wages without responsibility. Instead, they agree to discuss implementing better training programmes and improved job evaluation systems where neither the bank nor the workers lose. This approach best exemplifies:
(A) Distributive Bargaining
(B) Integrative Bargaining
(C) The Check-off mechanism
(D) Multiplicity of unions

Oct/Nov 2018

88. Consider the following principles to be followed specifically on the part of Trade Unions during collective bargaining:
I. Be friendly with no hostile attitude or pre-discussion conclusions.
II. Give opportunity to management to make its point of view.
III. Do not put the blame on employees; raise issues without blaming anyone.
IV. Advocate policy violations strictly to force management's hand.
V. Do not encroach upon the rights and functions of Management/Administration.
Which combination of statements is correct?
(A) I, II, III, and V only
(B) I, II, IV, and V only
(C) II, III, IV, and V only
(D) I, III, IV, and V only

May/June 2007

89. Read the following scenario and answer the questions that follow.
ABC Bank has 5 different trade unions. They

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frequently clash over membership counts, leading to delays in appointing the workman director. The management decides to rely strictly on an arrangement where they regularly deduct union dues from the employees' wages and pass them on to the union to verify membership mathematically. Which facility is the management utilizing?
(A) Integrative Bargaining System
(B) Check-off Facility
(C) Distributive Haggling Mechanism
(D) Performance Linked Incentive Matrix

Oct/Nov 2025

90. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer.
Assertion (A): Employees in the IT sector have historically formed militant trade unions to dictate compensation structures since the 1960s.
Reason (R): The IT sector was traditionally considered lucrative, and employees felt no need to unionize, though recent layoffs have prompted attempts to form forums like FITE.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2012

91. Read the following scenario and answer the questions that follow.
PQR Bank has concluded salary negotiations. The agreement reached with the Award Staff (Workmen) is immediately signed as a legally binding bipartite settlement. This agreement draws its legal sanctity directly from which legislation?
(A) The Banking Regulation Act, 1949
(B) The Industrial Disputes Act, 1947
(C) The Trade Unions Act, 1926
(D) The Payment of Wages Act

Oct/Nov 2014

92. Read the following scenario and answer the questions that follow.
DEF Bank has recently concluded its financial year (FY 2020-21). It recorded a strong YoY Growth in Operating Profit of 16% and successfully attained the minimum threshold level of Net Profit. Based on the PLI matrix, how many days of salary (Basic + DA) will the employees be eligible to receive as an incentive?
(A) Nil
(B) 5 days
(C) 10 days
(D) 15 days

May/June 2019

93. Read the following scenario and answer the questions that follow.
If the negotiations over the welfare scheme at LMN Bank abandon mutual cooperation and turn into a straight-out haggling where the union's financial gain is strictly seen as the management's direct loss, this negotiation style is technically termed:
(A) Integrative Bargaining
(B) Bipartitism
(C) Mental Revolution
(D) Distributive Bargaining

Oct/Nov 2006

94. Read the following scenario and answer the questions that follow.
To give formal, permanent statutory effect to the document signed with the Officers' Organisations of PQR Bank, suitable amendments must eventually be brought into which of the following?
(A) The Indian Trade Unions Act
(B) The Industrial Disputes Act, 1947
(C) Officers' Service Regulations (OSR)
(D) The Minimum Wages Act

May/June 2021

95. Read the following scenario and answer the questions that follow.
Suppose DEF Bank performed exceptionally well operationally, recording a YoY Growth in Operating Profit of 18%. However, due to an unexpected massive tax liability, it failed to register any Net Profit. According to the conditions of the PLI matrix, what would be the PLI entitlement?
(A) Entitlement to a minimum 5 days' pay because operating profit reached the 5% threshold.

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(B) Entitlement to 15 days of salary because the growth in operating profit successfully exceeded the 15% mark.
(C) Entitlement to only 10 days of salary as a direct penalty for the failure to register a net profit.
(D) No entitlement (Nil), because the 3rd and 4th slabs strictly require a Net Profit with no fallback provisions.

Oct/Nov 2010

96. Read the following scenario and answer the questions that follow.
To rectify the toxic negotiation environment at LMN Bank, both parties decide to follow a process that prepares a level playing ground for mutual trust and goodwill, treating it not as a competitive but a complementary process. These are core features of:
(A) The Industrial Disputes Act penalty clauses
(B) The Collective Bargaining concept
(C) The Sen Tribunal recommendations
(D) The Check-off verification protocol

May/June 2005

97. Read the following scenario and answer the questions that follow.
Simultaneously, an agreement is reached with the Officers' Organisations of PQR Bank. Because officers are not covered under the same Act as workmen, this agreement is initially signed in the form of a non-statutory document known as:
(A) Joint Notes
(B) A Tripartite Agreement
(C) A Bi-partite Settlement
(D) An Adjudication Award

Oct/Nov 2022

98. Read the following scenario and answer the questions that follow.
The Performance Linked Incentive (PLI) scheme, calculated by DEF Bank's HR department, was formally introduced into the banking sector through which specific agreement?
(A) The Tenth Bipartite Settlement
(B) The XIth Bipartite Settlement signed on 11.11.2020
(C) The Sastry Award
(D) The First bi-partite settlement of October 1966

May/June 2018

99. Read the following scenario and answer the questions that follow.
If DEF Bank had instead recorded a YoY Growth in Operating Profit of 12% and still achieved a Net Profit, what would be the PLI entitlement for the employees according to the matrix?
(A) 5 days
(B) 10 days
(C) 12 days
(D) 15 days

Oct/Nov 2016

100. Read the following scenario and answer the questions that follow.
Until the formal statutory amendments to the regulations are completely processed by the Government of India, how does PQR Bank, in line with industry practice, practically implement the new wage accords for the officers?
(A) The bank completely withholds the increased salary component until the law is officially amended by Parliament.
(B) The bank forces the officers to temporarily demote themselves to Award Staff to receive the financial benefits.
(C) The bank relies on the Regional Labour Commissioner to issue a temporary injunction directing the immediate payment.
(D) Implementing Joint Notes on an 'ad-hoc' basis with the formal approval of the Government of India.

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and are outcomes that strong industrial relations policies seek to minimize.

16. (A) Any productive activity in which an individual or a group of individuals is engaged.
Within the context of industrial relations, the term industry is defined broadly to include any form of productive economic activity. It encompasses the collaborative efforts of individuals or groups engaged in the creation of goods or services. This definition covers both public and private sectors, emphasizing the relationship between those who provide labor and those who manage the resources.

17. (A) They should advocate policy violations to ensure their demands are met quickly.
During the collective bargaining process, trade unions are expected to maintain a professional and constructive approach to achieve their objectives. This includes exhibiting emotional intelligence, remaining flexible, and focusing on significant issues rather than trivial matters. Advocating for the violation of established policies is considered an incorrect practice as it undermines the legal and ethical foundation of the negotiations.

18. (A) October 1966
The first industry-wide bi-partite settlement in the Indian banking sector was successfully concluded in October nineteen-sixty-six. This historic agreement marked the transition from external tribunal-driven awards to direct bipartite negotiations between management and unions. It established the precedent for subsequent wage revisions and work regulation agreements that continue to shape the labor landscape of the banking industry today.

19. (D) Facing livelihood threats from layoffs, IT employees in cities like Hyderabad and Bengaluru formed the forum named FITE.
While the information technology sector was traditionally non-unionized, recent economic shifts and large-scale layoffs have prompted employees to seek collective representation. Professional forums like the Forum for IT Employees were established in major hubs such as Hyderabad and Bengaluru to address job security and grievances. This movement reflects a growing awareness among white-collar professionals regarding the benefits of collective action.

20. (A) The 'Check-off' system using salary deductions
The check-off system utilizes regular salary deductions to provide an accurate and verifiable record of union membership. By using these payroll figures, banks can mathematically determine which union holds the majority without needing external verification from Labour Commissioners. This internal mechanism simplifies the process of appointing employee or officer representative directors by providing clear data on organizational support.

21. (C) A strict reliance on individual bargaining rather than group solidarity
Successful collective bargaining depends on the strength of group solidarity and the recognition of mutual interests between labor and management. It requires active unions, responsive employers, and a shared faith in the negotiation process to reach equitable agreements. Relying on individual bargaining undermines the core purpose of collective representation and prevents the establishment of industry-wide standards and harmonious industrial relations.

22. (B) Bombay
The foundations of the organized labor movement in India were laid in the late nineteenth century. Shri Narayan Meghjee Lokhanday was a pioneering figure who established the first trade union in eighteen-ninety. This landmark organization was founded in Bombay and served as the initial platform for workers to address their collective grievances and advocate for better employment conditions and welfare.

23. (D) They are career-focused, rely on individual merit for progression, and are generally reluctant to join traditional unions.
Modern bank employees often prioritize individual career growth and merit-based advancement over collective representation. This new generation of workers frequently perceives traditional trade unions as less relevant to their personal professional goals. Their reluctance to join such organizations poses a significant challenge to the long-term survival and

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8. (B) Different political ideologies translate into the unions they sponsor, leading to significant inter-union rivalry.
Many trade unions in India maintain strong ties with various political parties, which significantly influences their operating philosophies. These diverse political ideologies often result in the fragmentation of the labor movement, creating multiple unions within a single organization. This fragmentation frequently leads to inter-union competition and conflicts, as each group strives to promote its specific political and social agenda.

9. (B) A member cannot withdraw salary deduction authority without also resigning from their union membership.
The check-off system is a voluntary administrative process where employees authorize the deduction of union fees from their pay. Crucially, a worker maintains the right to cancel this authorization at any time without forfeiting their status as a union member. While the management stops the salary deduction, the individual can still maintain their affiliation and membership through other means.

10. (C) B.P. Wadia
In the early history of the Indian labor movement, the leadership of B.P. Wadia was instrumental during the nineteen-nineteen strike at the Buckingham Carnatic mills. His efforts eventually secured the fundamental right of workers to organize and form unions. This event was a major turning point that paved the way for the legalization of trade union activities in India.

11. (D) It is a one-time exercise that concludes permanently after a single agreement is reached.
Collective bargaining is fundamentally a continuous and dynamic process rather than a solitary event. It involves ongoing interactions between management and labor representatives to address evolving workplace issues and economic conditions. This process nurtures industrial democracy and maintains harmonious relations by ensuring that negotiations remain open and adaptable to new challenges as they arise within the organization.

12. (C) A negotiation where both parties may gain, or at least neither loses, characterizing a mutually beneficial 'win-win' situation.
Integrative bargaining refers to a collaborative negotiation strategy where the parties focus on mutual interests and joint problem-solving. Unlike competitive approaches, this method seeks outcomes where both management and employees can achieve their goals simultaneously. It fosters a cooperative atmosphere where solutions are designed to provide benefits to everyone involved, leading to more sustainable and cordial industrial relations.

13. (A) Settlements between management and Workmen Unions having legal sanctity under the Industrial Disputes Act, 1947.
Bi-partite settlements in the banking sector are formal agreements reached between management and recognized workmen unions. These documents carry significant legal weight as they are recognized under the provisions of the Industrial Disputes Act of nineteen-forty-seven. Once signed by both parties, the terms regarding wages and working conditions become legally binding and enforceable within the framework of national labor laws.

14. (C) Workers should receive fair wages, work reasonable hours, and perform their duties in a supportive and encouraging environment.
Trade unions operate on the core belief that labor is a human endeavor that requires dignity and protection. They advocate for a workplace where employees are compensated fairly for their efforts and have clearly defined, reasonable working hours. Furthermore, unions emphasize the importance of a supportive environment that prioritizes worker well-being, safety, and economic security alongside organizational productivity.

15. (D) To maximize high turnover and frequency absenteeism in an era of full employment.
Industrial relations aims to create a stable and productive environment by fostering mutual understanding between labor and management. The primary objectives include the prevention of industrial strife, such as strikes and lockouts, while ensuring fair wages and working conditions. High turnover and frequent absenteeism are considered detrimental to organizational health

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ANSWERS

1. (B) 16,712 Registered Trade Unions with a total membership of 91.82 lakhs
   Official statistical data pertaining to the growth of the labor movement in India reveals that by the year 2012, the count of registered trade unions reached sixteen thousand seven hundred twelve. These organizations collectively represented a total membership of ninety-one point eight two lakhs, reflecting the scale of organized labor across various sectors of the economy.

2. (C) It introduced a 15% wage increase along with other benefits for the majority of bank employees and officers.
   The eleventh bipartite settlement signed on November eleventh, twenty-twenty, marked a significant milestone in bank wage negotiations. This agreement provided a fifteen percent increase in the wage bill, encompassing various pay scales and allowances for both award staff and officers. It aimed to improve the financial well-being of the workforce while addressing long-standing compensation issues.

3. (C) A practice where an employer regularly deducts union dues from employees' wages and passes them on to the union.
   The check-off facility serves as a administrative mechanism designed to facilitate the collection of union subscription fees directly from the payroll. Under this arrangement, the management subtracts the membership dues from the individual salaries of participating employees. These collected funds are subsequently transferred to the respective trade unions, ensuring a steady and verifiable flow of revenue.

4. (C) The PLI is payable annually in lieu of the normal salary payable to the employees.
   The performance-linked incentive scheme functions as an additional variable compensation component awarded to bank employees based on organizational profitability. It is calculated annually according to specific growth metrics and is paid over and above the regular monthly salary. This incentive does not replace the standard remuneration package but rather complements it to reward productivity and financial success.

5. (B) Human Relations includes Industrial Relations along with participative management, employee welfare, and overall organizational development.
   Human relations represents a broad organizational framework that integrates psychological aspects and individual employee development within the workplace. While industrial relations focuses specifically on collective bargaining and labor-management interactions, human relations encompasses these elements plus participative management and welfare. It aims to foster a holistic environment that balances organizational goals with the personal needs and growth of employees.

6. (B) It guarantees the absolute elimination of all future Non-Performing Assets in public sector banks.
   Collective bargaining is a vital process for maintaining industrial democracy and resolving labor-management conflicts through negotiation. It helps reduce strikes and lockouts while managing inter-union rivalries by providing a platform for dialogue. However, it focuses on employee-related terms and conditions and cannot resolve external financial issues or guarantee the elimination of non-performing assets within banking operations.

7. (B) Arriving at solutions between conflicting values like profit vs social gain and discipline vs freedom.
   Industrial relations is formally characterized as the dynamic interplay between management, workers, and the state within an industrial setting. It involves navigating complex tensions between competing priorities, such as the organization's need for profitability versus the workforce's desire for social welfare. The primary goal is to establish a stable framework that reconciles discipline with individual employee freedom.

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bargaining power of established labor unions within the evolving financial sector.

24. (D) The employers aim for maximum productivity at the highest possible cost to ensure worker satisfaction.
Industrial relations involves balancing the goals of workers, employers, and the government. While workers seek better wages and conditions, and the government strives for industrial peace, employers naturally aim for maximum productivity at the lowest feasible cost. The idea that employers would intentionally seek the highest possible costs to ensure satisfaction is inconsistent with standard organizational and economic principles.

25. (B) Promoting industrial democracy through labor partnership in sharing profits and participating in managerial decisions.
A key objective of industrial relations is the promotion of industrial democracy, which involves integrating workers into the decision-making processes of the organization. This framework encourages labor partnerships where employees participate in managerial discussions and share in the organization's profits. Such collaborative practices are intended to increase employee engagement and foster a sense of shared ownership and organizational commitment.

26. (D) A negotiation where one party's gain is another's loss, representing a 'win-loss' distribution of a fixed set of resources.
Distributive bargaining is a competitive negotiation strategy often used for economic issues like wage increases and benefits. In this model, the resources are viewed as a fixed pie where any gain for one party results in a direct loss for the other. Because it creates a win-loss dynamic, it can sometimes be detrimental to long-term cordial industrial relations.

27. (A) Distributive haggling for individual merit
Trade unions are traditionally built upon the principles of collective strength and social security for all members. These core values include the belief that unity is strength, the demand for equal pay for equal work, and the pursuit of service security. Focusing on distributive haggling for individual merit would contradict these foundational concepts of solidarity and uniform benefits for the workforce.

28. (B) 11.11.2020
The eleventh bipartite settlement, which governs the wages and working conditions of bank employees, was officially signed on November eleventh, twenty-twenty. Although the formal signing took place on this date, the financial benefits and revised pay scales were implemented with retrospective effect starting from November first, twenty-seventeen. This agreement concluded years of negotiations between the Indian Banks' Association and employee federations.

29. (C) There is a significant surplus of effective leadership among the new generation employees stepping into the banks.
Trade unionism in the banking sector faces several internal challenges, including a multiplicity of unions and rivalry among different groups. Furthermore, there is a growing concern regarding a shortage of effective leadership as veteran leaders retire. The new generation of bank employees often lacks the inclination to take up leadership roles, creating a vacuum that weakens the unions' bargaining effectiveness.

30. (D) Employers recognize collective bargaining rights and adopt a "give and take" approach instead of a confrontational attitude.
Mutual accommodation is a critical component of healthy industrial relations where both management and unions adopt a flexible, cooperative stance. Instead of maintaining rigid or confrontational positions, employers recognize the rights of collective bargaining and engage in a process of give and take. This approach helps in reaching balanced agreements that satisfy the essential needs of both the organization and the workforce.

31. (A) October 1966, October 1970, August 1979, September 1983
The history of wage negotiations in the banking industry is marked by several successive bipartite settlements. The first agreement was reached in October nineteen-sixty-six, followed by the second in October nineteen-seventy. The third settlement was concluded in August nineteen-seventy-nine, and the fourth was

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signed in September nineteen-eighty-three. These settlements represent the early timeline of collective bargaining in the sector.

32. (B) National Confederation of Bank Employees - NCOBE
Several national-level federations represent bank employees during industry-wide negotiations. These include the Bank Employees Federation of India, the National Organisation of Bank Workers, and the Indian National Bank Employees' Federation. The abbreviation for the National Confederation of Bank Employees is NCBE, whereas NCOBE is an incorrect representation of the organization's name in standard banking labor relations contexts.

33. (B) Enhancing commitment to revive ailing banks through turn-around strategies tied to capital infusion.
In April twenty-seventeen, the Government of India introduced a tripartite agreement framework to support public sector banks facing financial difficulties. This strategy involves the government, bank management, and employee unions working together to implement turnaround plans. The infusion of fresh capital is made conditional upon the collective commitment of all parties to improve the bank's operational efficiency and financial health.

34. (A) Only I
Bipartite settlements for award staff in banks carry legal sanctity under the Industrial Disputes Act of nineteen-forty-seven. In contrast, agreements reached for bank officers are signed as joint notes, which are non-statutory documents. To have legal force, these joint notes require subsequent administrative action in the form of official amendments to the Officers' Service Regulations by the respective bank boards.

35. (A) P-3, Q-1, R-4, S-2
The timeline of bank wage settlements shows the eighth bipartite settlement was concluded in June two-thousand-five. The ninth settlement followed in April twenty-ten, while the tenth was signed in May twenty-fifteen. Most recently, the eleventh bipartite settlement was finalized in November twenty-twenty. These dates reflect the periodic nature of negotiations between management and the various bank employee and officer unions.

36. (B) II and III only
Industrial relations is a specialized field that focuses on the collective relationship between management, trade unions, and the government. Human relations, however, is a broader and more comprehensive concept that encompasses industrial relations while also including individual employee welfare, development, and participative management. It addresses both the collective and psychological aspects of the employment relationship to ensure organizational harmony and employee satisfaction.

37. (A) Rejection by new generation employees who are highly confident in their own merit and career abilities.
Trade unions currently face a significant existential threat due to shifting attitudes among newer employees entering the workforce. Many of these individuals prioritize individual merit and professional skills over collective bargaining for career progression. This trend leads to a decline in union membership and participation, as employees feel less reliant on traditional organized labor structures to secure their interests.

38. (B) P-4, Q-3, R-1, S-2
Successful collective bargaining relies on specific principles categorized by the roles of the participating parties. Both management and unions must maintain mutual faith and prioritize integrative solutions for the process to be effective. Additionally, unions have specific duties, such as keeping negotiating teams small and avoiding encroachment on managerial functions, to ensure that the bargaining process remains focused and productive.

39. (B) Only II
The survival of traditional trade unions is challenged by the mindset of the new generation of bank employees. These individuals are often highly confident in their own abilities and do not feel a strong need for union representation to achieve their career goals. Consequently, they are less inclined to participate in collective action, which weakens the traditional influence of labor organizations.

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40. (B) P-4, Q-1, R-2, S-3
The banking sector includes several major officer organizations with specific abbreviations used in negotiations. The All India Bank Officers' Confederation is known as AIBOC, and the All India Bank Officers' Association is AIBOA. Similarly, the Indian National Bank Officers' Congress uses INBOC, while the National Organisation of Bank Officers is abbreviated as NOBO. These bodies represent officers' interests in industry discussions.

41. (D) I, II, and III
The performance-linked incentive matrix for bank employees is based on year-on-year growth in operating profit. For growth below five percent, no incentive is payable. Growth between five and ten percent results in a five-day pay incentive. Higher levels of growth, specifically the third and fourth slabs above ten percent, only trigger payments if the bank also records a net profit.

42. (C) Ensuring workers act in cohesion, as group solidarity is more powerful than any individual effort.
A disciplined trade union provides the essential benefit of group solidarity, which allows workers to negotiate from a position of collective strength. By acting in cohesion, the union can represent the interests of the entire workforce more effectively than any individual could on their own. This unity is a fundamental requirement for achieving balanced and fair outcomes during collective bargaining.

43. (B) Integrative Bargaining - Both parties may gain, or at least neither one loses.
Bargaining strategies are categorized into distributive and integrative types. Distributive bargaining involves a competitive win-loss approach over fixed resources like wages. In contrast, integrative bargaining focuses on collaborative problem-solving to find win-win solutions. This method allows both management and labor to achieve gains, or at least avoid losses, fostering a more sustainable and positive relationship between the two parties.

44. (A) P-3, Q-1, R-2, S-4
Strong industrial relations lead to several positive outcomes for an organization. Uninterrupted production ensures that resources are fully utilized, while a reduction in disputes prevents disruptive strikes and lockouts. Furthermore, high morale encourages workers to feel like co-owners of the organization's success, which naturally leads to increased productivity and a significant reduction in waste throughout the production process.

45. (B) I and III only
The tripartite agreement introduced in April twenty-seventeen was designed to revitalize struggling public sector banks through capital infusion. This agreement is not just between the government and management; it specifically includes the representative unions. By involving all three parties, the framework seeks to build a collective commitment to turnaround strategies, ensuring that everyone works toward the bank's recovery.

46. (B) Social imbalances, oppression of the have-nots, and a higher level of literacy.
The growth of militant labor movements in the pre-independence era was driven by significant social and economic factors. Workers who faced exploitation and oppression often turned to collective action to seek justice. The combination of these social imbalances and increasing literacy levels among the workforce provided the necessary impetus for employees to organize and challenge unfair treatment by employers.

47. (A) Only I
Collective bargaining is regarded as an advanced and sophisticated method for maintaining harmonious human relations within an organization. It is designed to be a complementary process where management and labor work together to find mutually acceptable solutions. The goal is to nurture industrial democracy, and it should not be viewed as a competitive struggle for supremacy by either party.

48. (A) P-2, Q-4, R-3, S-1
Major central trade union organizations in India are identified by their acronyms. INTUC stands for the Indian National Trade Union Congress, and AITUC represents the All India Trade Union Congress. HMS refers to the Hind Mazdoor Sabha, while CITU is the acronym for the Centre of Indian Trade Unions. these organizations play

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83. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Trade unions in the banking sector are currently struggling with a leadership shortage that directly impacts their bargaining power. This situation is largely due to the retirement of experienced veteran leaders and the general reluctance of younger employees to take up such roles. The shift in mindset among new recruits toward individual merit further contributes to the weakening of traditional union structures.

84. (C) The union lists the employee as a member, despite receiving no fees through salary deductions.
The check-off facility and official union membership are distinct administrative records. If an employee cancels their salary deduction authorization, the bank stops the payments, but this does not automatically end their membership with the union. The individual will still appear on the union's rolls as a member until they formally resign, even if their dues are not being collected through payroll.

85. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Bank officers are not classified as workmen under the Industrial Disputes Act of nineteen-forty-seven, which means the agreements reached for them, known as joint notes, lack immediate legal force. To provide these accords with statutory authority, individual bank boards must formally amend their respective Officers' Service Regulations. This legislative step is necessary to translate the negotiated terms into binding employment law for officers.

86. (A) I, II, and IV only
Collective bargaining offers numerous benefits, such as enhancing mutual trust and providing a platform for healthy communication between management and workers. It also allows for the flexible adjustment of wages to match changing economic conditions. However, the process is intended to reduce and manage conflict, not to aggravate inter and intra-union rivalries, which are considered negative outcomes to be avoided.

87. (B) Integrative Bargaining
Integrative bargaining is characterized by a collaborative approach where both parties work together to find solutions that offer mutual benefits. In the scenario described, focusing on training and job evaluation systems to improve the bank without causing loss to the workers is a classic example of a win-win strategy. This contrasts with more competitive forms of negotiation that focus solely on financial extraction.

88. (A) I, II, III, and V only
During collective bargaining, unions are expected to follow specific professional principles, such as being friendly, giving management a chance to speak, and avoiding blame. They must also respect managerial rights and functions. Encouraging the violation of established policies to force an outcome is an incorrect and unprofessional practice that undermines the integrity of the entire negotiation process and harms long-term relations.

89. (B) Check-off Facility
The check-off facility is a practical administrative tool used by bank management to determine union membership through payroll data. By regularly deducting dues and passing them to the respective unions, the bank can accurately track how many employees are affiliated with each group. This mathematically verifiable method helps resolve disputes over membership counts and simplifies statutory processes like the appointment of representative directors.

90. (D) Assertion (A) is false, but Reason (R) is true.
Historically, employees in the IT sector did not form militant unions, as they were generally well-compensated and prioritized individual career growth. However, recent economic shifts and layoffs have led to a change in this trend, with professionals in cities like Hyderabad and Bengaluru beginning to form forums like FITE for collective protection. This reflects a modern response to job insecurity rather than a long-standing tradition.

91. (B) The Industrial Disputes Act, 1947
The bipartite settlements concluded for workmen (award staff) in the banking industry derive their legal sanctity from the Industrial Disputes Act of

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and collective bargaining rather than relying solely on militant boycotts or other disruptive industrial actions as the only tools.

58. (A) P-2, Q-1, R-4, S-3
Trade unions face various internal weaknesses that can hinder their effectiveness. Rivalry between multiple unions can lead to conflict and violence, while leadership from outside the organization may lack a deep understanding of specific workplace problems. Furthermore, political affiliations often cause ideological conflicts, and some workers may avoid joining unions due to fears of potential victimization by their employers.

59. (A) Only I
The history of Indian trade unionism began with the establishment of the first union by Shri Narayan Meghjee Lokhanday in Bombay in eighteen-ninety. While the movement grew significantly between nineteen-sixty and two-thousand, this growth was actually characterized by strong and continuous support from various political parties. Political influence remained a defining feature of the labor movement throughout the post-independence era.

60. (B) P-3, Q-4, R-2, S-1
Improving industrial relations requires a multifaceted approach involving both management and labor. This includes maintaining a strong union to represent the majority and fostering mutual trust through progressive outlooks. Additionally, both parties must ensure the sincere implementation of all reached agreements and establish sound personnel policies that are clearly stated and uniformly applied throughout the organization to ensure fairness.

61. (B) I, III, and IV only
New generation bank employees bring different perspectives to the workplace, often focusing on individual merit and career progression rather than collective bargaining. These individuals typically lack the traditional fear of job loss, as they view job-hopping as a normal part of their career path. Consequently, they are often more confident in their own abilities and less inclined to join traditional labor unions.

62. (D) Assertion (A) is false, but Reason (R) is true.
Although the check-off facility provides a convenient way to track union membership through salary deductions, it is not the only method. An employee can stop the automatic deduction without resigning from the union. In such cases, the individual remains a member on the union's official rolls, even though the bank's payroll system no longer shows the deduction for that specific organization.

63. (B) I, III, and IV only
Enhancing industrial relations involves several key steps, such as maintaining strong and stable unions and ensuring management's sincere commitment to reached agreements. Furthermore, the government can contribute by enacting laws that mandate the recognition of representative unions. In contrast, an uncompromising attitude by employers is counterproductive and hinders the development of a harmonious and cooperative workplace environment.

64. (C) A tripartite agreement between the Government of India, Bank management, and the representative Unions.
When the Government of India provided capital to revive struggling public sector banks in twenty-seventeen, it introduced specific conditions for the infusion. One primary requirement was the signing of a tripartite agreement involving the government, the bank's management, and the representative unions. This collective commitment was designed to ensure that all stakeholders worked together toward the bank's financial turnaround.

65. (D) Assertion (A) is false, but Reason (R) is true.
The check-off facility remains a highly relevant and used mechanism for determining union membership levels in nationalized banks. Because it involves verifiable payroll data, it provides a mathematically accurate way to identify the majority union. This data is essential for statutory purposes, such as appointing representative directors, as it offers a more reliable count than external verification methods.

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66. (A) Promoting a complete Mental Revolution on the part of both workers and management.
When a trade union moves away from a purely agitational stance and focuses on organizational building and customer service, it reflects a mental revolution. This conceptual objective of industrial relations involves both parties recognizing their shared interests and working together as partners. Such a shift in mindset is essential for the long-term survival and success of both the employees and the organization.

67. (B) I, II, and IV only
The banking industry experiences several weaknesses in its trade union structures, such as inter-union rivalry and the influence of outside leadership that may not understand specific unit problems. Political affiliations also contribute to these tensions by introducing differing ideologies. Far from ensuring unity, the proliferation of multiple unions often leads to inaccurate membership claims and frequent conflicts that can harm workers' interests.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Bi-partite settlements reached for award staff in the banking sector are immediately enforceable because they possess legal sanctity. This legal status is derived from the Industrial Disputes Act of nineteen-forty-seven, which governs the relationship between employers and workmen. Once these agreements are formally signed, they become binding documents that define the statutory terms and conditions of employment for the staff.

69. (A) The Asst./Regional Labour Commissioners
The adoption of the check-off system has streamlined the process of identifying the majority union for the purpose of appointing representative directors. By using verifiable salary deduction data, banks can determine membership counts internally. This has eliminated the need for external verification by Assistant or Regional Labour Commissioners, who were previously responsible for conducting physical membership counts to resolve such issues.

70. (B) I, III, IV, and V only
Successful collective bargaining requires several essential factors, including an active union, a clear set of goals for the workers, and a shared faith in the process by both parties. Additionally, it is vital to avoid unfair labor practices during negotiations. A non-responsive or dictatorial employer would be a significant barrier to the process, rather than a prerequisite for its success.

71. (A) The Collective Bargaining Process on the part of Trade Unions
Established principles for collective bargaining require trade unions to approach negotiations with a friendly and open attitude. Entering discussions with a hostile mindset or predetermined, fixed conclusions violates these guidelines. Such behavior hinders the "give and take" necessary for reaching a mutually beneficial agreement and undermines the core purpose of maintaining harmonious and constructive industrial relations within the workplace.

72. (B) I, II, and IV only
There is an ongoing discussion regarding the shift from industry-wide settlements to bank-wise wage agreements. Weaker banks often struggle with the financial burden of uniform settlements, and many believe that individual banks should have the flexibility to decide their own salary structures. This topic remains an active part of the government's agenda, reflecting the need for a more adaptable compensation model.

73. (D) Assertion (A) is false, but Reason (R) is true.
Under the Industrial Disputes Act of nineteen-forty-seven, employers are strictly prohibited from declaring lock-outs while a dispute is being adjudicated by a tribunal or labor court. Similarly, workers are prohibited from striking during this period. The assertion that employers can use lock-outs as pressure tactics during such pendency is incorrect, as it would be a direct violation of labor laws.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Distributive bargaining is inherently a competitive "win-loss" scenario where one party's gain is viewed as the other party's direct loss. This approach usually involves intense

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haggling over fixed resources and can create a win-loss dynamic that is less conducive to building the long-term trust and cordial relations necessary for a harmonious workplace.

75. (B) 5 days
According to the performance-linked incentive matrix, an eight percent growth in operating profit falls into the second slab, which warrants a five-day pay incentive. While higher slabs (over ten percent growth) require the bank to have a net profit for payment, this second slab is payable based on operating profit growth alone, regardless of whether a net profit was recorded.

76. (B) I, III, and IV only
The fundamental objectives of industrial relations are to foster harmony and industrial democracy through cooperation. This includes avoiding conflicts, minimizing strikes and lockouts, and ensuring workers participate in decision-making processes. Conversely, promoting high turnover and absenteeism is contrary to these goals, as such factors are signs of poor industrial health and are things that effective management policies aim to eliminate.

77. (D) Trade union rivalry
When multiple unions within a single organization compete aggressively for membership and influence, it often leads to frequent clashes and even violence. This specific weakness is known as trade union rivalry. Such conflicts are detrimental to the interests of the workers, as the lack of unity and focus on internal competition undermines the unions' ability to bargain effectively with management.

78. (B) I, III, IV, and V only
Collective bargaining is a flexible and dynamic process involving parties of equal strength but differing interests. It is not a one-time event but a continuous method for resolving disputes and building trust. While it can involve sophisticated confrontation, its ultimate aim is to create a level playing field where both management and labor can work toward mutually beneficial solutions for the organization.

79. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The presence of multiple unions often leads to fragmentation and rivalry, which can negatively affect the workplace environment. Consequently, the development of common platforms where different unions coordinate their efforts is seen as a positive step. Such functional unity allows the workforce to present a stronger, more coherent voice during negotiations, leading to more stable and effective industrial relations.

80. (D) Assertion (A) is false, but Reason (R) is true.
Human relations is the more comprehensive framework, as it includes the collective aspects of industrial relations along with individual psychological well-being and organizational development. While industrial relations focuses on the tripartite relationship between management, unions, and the state, human relations extends this to cover participative management and employee welfare, making it a broader approach to managing people in organizations.

81. (C) Mutual Accommodation
For industrial relations to improve, management and unions must adopt a policy of mutual accommodation, which involves a willingness to compromise and find middle ground. When management insists on an uncompromising "take it or leave it" stance, it directly violates this principle. Such a rigid approach prevents effective collective bargaining and can lead to increased tension and industrial conflict.

82. (B) I, III, and IV only
The Indian trade union movement has deep historical roots, with the first union founded in eighteen-ninety. Early organizations focused on welfare, literacy, and grievance redressal within the pre-independence socio-political climate. However, the idea that political affiliation ended after independence is incorrect; in fact, trade unions have continued to maintain strong and varied political ties throughout India's post-independence history.

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100. (D) Implementing Joint Notes on an 'ad-hoc' basis with the formal approval of the Government of India.

While formal amendments to the Officers' Service Regulations can take time to process, banks often implement the financial benefits of joint notes on an ad-hoc basis. This practice allows officers to receive their revised wages and arrears promptly after an agreement is reached. This implementation is done with the formal approval of the Government of India, ensuring that employees are not penalized by administrative delays.

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nineteen-forty-seven. This legislation provides the framework for collective bargaining and ensures that once an agreement is signed by both the management and the recognized unions, its terms become legally binding and enforceable for all covered employees within the sector.

92. (D) 15 days
Under the performance-linked incentive matrix, a sixteen percent growth in operating profit qualifies for the highest slab, which is fifteen days of salary. Since the bank also achieved its minimum threshold for net profit, the conditions for this top-tier incentive are fully met. Therefore, employees will receive fifteen days of basic pay and dearness allowance as their annual performance-based reward.

93. (D) Distributive Bargaining
When negotiations become a zero-sum game where one party's financial gain is viewed as the other party's direct loss, it is known as distributive bargaining. This style is often characterized by intense haggling over fixed resources and can create a win-loss dynamic that is less conducive to long-term harmony. It is a common approach when the focus is limited to immediate economic divisions.

94. (C) Officers' Service Regulations (OSR)
Agreements reached with officer organizations in the banking sector are initially signed as non-statutory joint notes. To give these agreements permanent legal effect, they must be incorporated into the Officers' Service Regulations of the respective banks. This formal amendment process is required because officers are not covered under the same labor laws as workmen, necessitating specific regulatory changes to implement their new terms.

95. (A) Entitlement to a minimum 5 days' pay because operating profit reached the 5% threshold.
The performance-linked incentive matrix is structured such that only the third and fourth slabs (growth above ten percent) are strictly conditional on the bank recording a net profit. If a bank achieves high operating profit growth but fails to post a net profit, employees are still entitled to a five-day incentive, provided the growth in operating profit was at least five percent.

96. (B) The Collective Bargaining concept
Collective bargaining is fundamentally based on the idea of creating a level playing field for mutual trust and goodwill between management and labor. It is designed to be a complementary rather than a competitive process, where both parties work together to reach agreements that satisfy their conflicting interests. These core features are essential for maintaining stable and harmonious industrial relations within an organization.

97. (A) Joint Notes
In the banking industry, salary and service agreements for officers are documented differently than those for workmen. Because officers are not covered by the Industrial Disputes Act, their agreements are signed in the form of joint notes. These documents represent a formal record of the consensus reached during negotiations but are considered non-statutory until they are translated into official regulatory amendments.

98. (B) The XIth Bipartite Settlement signed on 11.11.2020
The performance-linked incentive (PLI) scheme was a major new component introduced to the banking industry's compensation structure through the eleventh bipartite settlement. This agreement, signed on November eleventh, twenty-twenty, linked a portion of employee remuneration to the bank's profitability and operating performance. It marked a significant shift toward variable, performance-based pay for both award staff and officers in public sector banks.

99. (B) 10 days
According to the performance-linked incentive matrix, a twelve percent growth in operating profit falls within the third slab, which covers growth between ten and fifteen percent. This slab provides a ten-day salary incentive, provided the bank also achieves a net profit for the financial year. Since the bank in the scenario met both the operating growth and net profit criteria, the employees qualify for the ten-day payout.

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a significant role in representing workers across various industries.

49. (C) >10% to 15% - 12 days
The performance-linked incentive matrix established for bank employees specifies the number of days of pay based on operating profit growth. For year-on-year growth between ten and fifteen percent, the incentive is ten days of salary, not twelve. Other slabs include five days for five to ten percent growth and fifteen days for growth exceeding fifteen percent, provided net profit conditions are met.

50. (A) P-2, Q-4, R-1, S-3
The performance-linked incentive scheme in banking utilizes a tiered matrix based on operating profit growth. No incentive is paid for growth below five percent. A five-day salary incentive is awarded for growth between five and ten percent. For growth levels between ten and fifteen percent, ten days' pay is granted, while growth above fifteen percent results in a fifteen-day incentive.

51. (C) I and III only
The collective bargaining process typically begins with a union submitting a formal demand to the employer. If negotiations do not lead to a satisfactory resolution, the union may escalate its actions by issuing notices of non-cooperation or industrial action. Employers generally do not immediately accede to all demands without negotiation, as the process requires a balanced discussion of terms.

52. (A) Sen Award, Sastry Award, LAT Award, Desai Tribunal
Before the era of bipartite settlements, working conditions in the Indian banking industry were determined through various external awards and tribunals. This chronological sequence began with the Sen Award, followed by the Sastry Award and the Labour Appellate Tribunal (LAT) Award. The final major intervention before direct bargaining became the standard was the Desai Tribunal, which set important precedents for employee regulations.

53. (C) P-3, Q-4, R-1, S-2
The middle period of bank wage negotiations included several key bipartite settlements. The fourth settlement was finalized in September nineteen-eighty-three, followed by the fifth in April nineteen-eighty-nine. The sixth settlement was concluded in February nineteen-ninety-five, and the seventh was signed in March two-thousand. Each of these agreements incrementally revised the pay structures and working conditions for the industry's workforce.

54. (A) Only I
The check-off facility is recognized as an authorized salary deduction under the Payment of Wages Act. While employees can provide written authorization for these deductions, they also have the right to withdraw it at any time. Withdrawing the check-off authority does not automatically result in the termination of union membership, as the two processes are legally and administratively distinct.

55. (A) Tenth bi-partite settlement - May 2015
Industry-wide negotiations in the banking sector are finalized through periodic bipartite settlements. The tenth such settlement was successfully signed in May twenty-fifteen. This date is correct in the chronological record of agreements, whereas other settlements like the first and sixth occurred in nineteen-sixty-six and nineteen-ninety-five respectively, marking different stages in the history of collective bargaining in Indian banks.

56. (A) An outlook where all parties consider themselves as partners, recognizing each other's interests and authority.
Mental revolution is a fundamental concept in industrial relations that calls for a shift in the mindsets of both management and labor. It encourages both parties to view each other as partners in a common enterprise rather than as adversaries. By recognizing mutual interests and respecting each other's authority, they can work together to achieve organizational goals and fair worker treatment.

57. (A) I and II only
Traditional trade unions are founded on core principles such as the belief that unity is strength and the pursuit of equal pay for equal work. While ensuring social and economic security is a primary goal, modern industrial relations emphasizes achieving these through negotiation

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CHAPTER 17

Employee Grievance Redressal and Discipline

May/June 2024

1. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): It is imperative to handle grievances immediately when they are noticed.
Reason (R): Allowing grievances to remain unattended will create a situation of tension, dissatisfaction, and may lead to accidents, disharmony, and strikes.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

2. Paragraph 517 of the Sastry Award provided for:
(A) The immediate establishment of the Grievance Settlement Authority for all industrial workers.
(B) The widespread implementation of the Two-Dimensional Model of Conflict across financial sectors.
(C) A procedure where the manager investigates the complaint as soon as possible after its notification.
(D) The compulsory arbitration of all industrial disputes within the public and private banking sectors.

May/June 2011

3. Which individual defines grievance as "any real or imagined feeling of personal injustice, which an employee has, concerning his employment relationship"?
(A) Dale Yoder
(B) Beach
(C) Keith Davis
(D) International Labour Organisation

NODIA

Oct/Nov 2019

4. Consider the following statements regarding Section 9C of the Industrial Disputes Act:
I. Where an industrial dispute connected with an individual workman arises, the workman or any trade union of which the workman is a member may refer the dispute to the Grievance Settlement Authority.
II. A reference can be made under Chapter III of the Act even if the dispute has never been referred to the Grievance Settlement Authority.
Which of the statement(s) is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

May/June 2015

5. Identify the incorrect statement regarding the causes of grievances.
(A) Employee-oriented grievances are related to the actions, thinking process, and psychology of the employees.
(B) The personality traits of personnel holding reigns in the hierarchy play no role in the creation of grievances.
(C) Problem employees who are by nature negative are a cause of employee-oriented grievances.
(D) In certain organizations, a section of employees feels discriminated against based on union affiliations.

Oct/Nov 2012

6. Read the given scenario and answer the question that follows:
An individual workman in an establishment of 120 employees refers a dispute to the Grievance

Settlement Authority. After deliberations, the Authority issues a decision, but the workman finds it completely unacceptable. What is the legally permissible next step for the workman regarding this specific dispute?

(A) The dispute is permanently closed and cannot be appealed.
(B) The workman may now seek reference under Chapter III of the Industrial Disputes Act.
(C) The workman must immediately initiate a hunger strike.
(D) The employer is forced to accept the workman's original terms without further review.

May/June 2005

7. Dissatisfaction made known by one employee to another is termed a complaint. When dissatisfaction related to the work situation is brought to the notice of management, it is defined as:
(A) A dispute
(B) A grievance
(C) A complaint
(D) An ideological conflict

Oct/Nov 2023

8. Read the given scenario and answer the question that follows:
A bank recently released a new transfer policy that was poorly drafted and ambiguous. Managers across different regions began applying the policy differently, causing widespread discontent among the staff. This scenario illustrates which cause of grievance?
(A) Competitive work environment
(B) Management-oriented traits
(C) Employee-oriented traits
(D) Ideological conflict

May/June 2018

9. Consider the following statements describing the formal grievance machinery introduced in organizations:
I. It contains the authorities to whom the employees can lodge their grievances.
II. It designates appellant authorities to whom the grievance can be escalated.
III. It prescribes time-lines within which the concerned authority has to dispose of the grievance.
IV. The early efforts were highly successful because both management and unions embraced the felt-need immediately.
V. Initially, management introduced it more as a mere compliance device while unions looked at it as a device to undermine their importance.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, II, III, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

Oct/Nov 2016

10. Match the broad heads of grievance causes in List I with their specific characteristics in List II.
List I: (Heads of Grievance)
P. Management-oriented
Q. Employee-oriented
R. Inter/Intra-union traits
S. Problem employees
List II: (Characteristics)
1. Loosely knit policies leading to varied interpretations at various levels.
2. Grievances borne out of jealousy and contempt among employees.
3. Organizations with multiple unions having a thin line of difference in their sizes.
4. Employees who by their very nature are negative, dissatisfied and grievance-prone.
(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2009

11. Which of the following is NOT a recommended administrative measure for minimizing individual grievances?
(A) Encouraging upward communication as far as possible.
(B) Seeking referendum from the workforce on major policies to secure their acceptance.
(C) Interpreting policies uniformly among all workforce without any deviations.
(D) Discouraging mutual trust between management and unions to maintain strict hierarchy.

Oct/Nov 2006

12. Which entity defines grievance as "a complaint of one or more workers in respect

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of wages, allowances, conditions of work and interpretation of service stipulations such as overtime, leave and termination of service"?
(A) Statutory Grievance Settlement Authority
(B) Annual Indian Labour Conference delegates
(C) International Labour Organisation
(D) Sastry Award Tribunal for wage disputes

May/June 2014

13. Consider the following statements regarding the features of a grievance redressal procedure:
I. Open communication channel.
II. Understanding the employee point of view with sympathy.
III. Identifying levels of authority where decisions can be taken speedily.
IV. Providing a scope for appeal and review where the employee is not satisfied with the decision.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2022

14. Identify the correct statement regarding inter/intra-union rivalries.
(A) Exclusively result in collective disputes that never involve the grievances of individual employees.
(B) Are solely categorized under employee-oriented grievances by modern human resource practitioners.
(C) Establishments with multiple unions of similar size often face management-focused individual grievances.
(D) Serve as a preventative mechanism against the escalation of minor conflicts into major disputes.

May/June 2025

15. Read the given scenario and answer the question that follows:
A textile manufacturing firm currently employs 65 workmen. An individual workman faces a disciplinary issue and a dispute arises. The workman's trade union wishes to refer this dispute internally before seeking external legal recourse. Under Section 9C provisions, which body must the employer have set up to receive this reference?
(A) Board of Industrial Conciliation
(B) Employee Internal Works Committee
(C) Permanent Legal Labour Court
(D) Grievance Settlement Authority

Oct/Nov 2010

16. Which individual defines grievance as "a written complaint filed by an employee claiming unfair treatment"?
(A) Dale Yoder
(B) Keith Davis
(C) Beach
(D) International Labour Organisation

May/June 2021

17. Section 9C of the Industrial Disputes Act requires the employer to set up a Grievance Settlement Authority in every industrial establishment which employs:
(A) 20 or more workmen
(B) 50 or more workmen
(C) 100 or more workmen
(D) 250 or more workmen

Oct/Nov 2015

18. Match the authors or entities in List I with their respective definitions of grievance in List II.
List I: (Authors/Entities)
P. Dale Yoder
Q. Keith Davis
R. Beach
S. ILO
List II: (Definitions)
1. A written complaint filed by an employee claiming unfair treatment.
2. Any real or imagined feeling of personal injustice concerning employment relationship.
3. Any dissatisfaction or feeling of injustice brought to the notice of the management.
4. A complaint in respect of wages, allowances, conditions of work and interpretation of service stipulations.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

May/June 2013

19. Arrange the following events related to grievance procedures in their correct chronological order:
I. Industrial Disputes (Amendment) Act providing for Grievance Settlement

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List II: (Recommended Styles)
1. Compromising
2. Accommodating
3. Avoiding
4. Collaborating

(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-2, Q-3, R-4, S-1

May/June 2012

73. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): In an age of crisis and uncertainty, dilemmas and paradoxes are especially evident and prevalent, presenting a challenge for leaders.
Reason (R): Paradoxical forces provide a dynamism which, although often experienced as potentially threatening and discomfiting, can also be exciting, promising, and positive.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

74. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): It is necessary to improve the communication channels and encourage upward communication so that tensions are released.
Reason (R): Many problems have their origin in defective communication systems, and ambiguity in role definition creates a conflicting situation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2016

75. Consider the following statements regarding the dilemma of 'Poor Time Management':
I. It is better to set the deadlines well in advance to the actual work submission date to give the team additional time to check the work.
II. Superiors should actively monitor the work progress during the project and send friendly reminders to the employees to stay on schedule.
Which of the statement(s) is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2017

76. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): The Competing approach to conflict is viewed as a win or lose proposition, with winning equated with status and competence.
Reason (R): It is a power-oriented mode in which one party uses whatever power seems appropriate to achieve his/her own position and defend a position believed correct.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

77. Identify the incorrect statement regarding the suggested solutions for the dilemma of 'Poor Teamwork'.
(A) Organise team-building exercises periodically and demonstrate ways in which team members can work together.
(B) Clear communication and honest interactions help resolve scepticism because it builds trust.
(C) When tasks are delegated, proper justification has to be provided to team members explaining why they are assigned.

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Oct/Nov 2014

26. Which individual defines grievance as "any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the notice of the management"?
(A) Keith Davis
(B) Dale Yoder
(C) International Labour Organisation
(D) Beach

May/June 2007

27. Identify the correct statement concerning the Grievance Settlement Authority.
(A) References under Chapter III require prior GSA submission and a subsequently unacceptable decision for the worker.
(B) The Grievance Settlement Authority is legally restricted from attempting to resolve any industrial dispute on its own.
(C) The Authority is exclusively designed for managing collective bargaining agreements rather than individual disputes.
(D) The provisions of Section 9C require the establishment to have at least five hundred regular and permanent workmen.

Oct/Nov 2025

28. Management-oriented grievances are primarily attributable to:
(A) Management actions and varied interpretations of loosely knit policies.
(B) The psychological mindset and thinking patterns of the workforce.
(C) Ideological conflicts arising from differing religious beliefs.
(D) Lack of opportunities in a highly competitive external market.

May/June 2023

29. The Code of Discipline, which provided for a draft grievance procedure, was adopted in the 15th session of the Indian Labour Conference in the year:
(A) 1957
(B) 1958
(C) 1974
(D) 1982

Oct/Nov 2018

30. Consider the following statements identifying the effects of grievances:
I. They generally give rise to unhappiness, frustration, indifference to work, and low morale.
II. If allowed to be unattended for a longer time, they may lead to avoidable industrial unrest.
III. Non-attendance of grievances may vitiate inter-personal relationships and lead to rivalry.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

NODIA

May/June 2012

31. Consider the following statements regarding the underlying mechanics of a conflict:
I. The word 'outcome' refers to what an individual wants: their preferred solution or position.
II. 'Interests' are the reasons why an individual wants to achieve a specific outcome in the first place, rooted in human needs and beliefs.
Which of the statement(s) is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2009

32. Consider the following statements regarding the evolution of conflict resolution models:
I. Thomas and Kilmann developed a popular framework accounting for five styles of handling conflict.
II. Early models measured conflict mostly along a single dimension of concern for others represented by bipolar anchors.
III. Subsequent models following Blake and Mouton measured conflict using two orthogonal dimensions.
Which of the following represents the correct chronological sequence of these developments?
(A) II, III, I
(B) III, II, I
(C) I, II, III
(D) II, I, III

May/June 2016

33. The following question consists of two statements, one labeled as Assertion (A) and the

An organization discovers that an employee is attempting to defraud the company. The management decides to hold on to the issue and fight legally until they win, viewing the conflict as a win or lose proposition where they use whatever power is appropriate to defend a correct position, regardless of the relationship cost. This style is:
(A) Accommodating
(B) Compromising
(C) Competing
(D) Collaborating

Oct/Nov 2019

46. Conflict management is best defined as:
(A) The complete and permanent eradication of all differing opinions and perceptions in a modern work situation.
(B) Strategies geared towards achieving positive outcomes and resolution among parties involved in conflicts.
(C) An unordered and chaotic method designed to escalate minor internal disputes into expensive legal battles.
(D) The process of ensuring that senior management always achieves its goals at the direct expense of the staff.

May/June 2015

47. Read the given scenario and answer the question that follows:
A financial institution decides to merge its retail banking and corporate banking advisory departments. The management insists on formulating new policies that integrate ideas from both departments to find a common ground of acceptance, as long-term relationships and outcomes are critical. Which conflict resolution style is being applied?
(A) Accommodating
(B) Collaborating
(C) Avoiding
(D) Competing

Oct/Nov 2012

48. Identify the incorrect statement distinguishing conflict of needs and conflict of beliefs.
(A) Conflicts of needs grow out of differences in outcomes, personal goals, and aspirations in the presence of scarce resources.
(B) Ideological conflict falls into the category of conflict of needs where contention is rooted in scarce monetary resources.
(C) Conflicts of beliefs grow out of differences in convictions or perceptions about reality among interdependent parties.
(D) Conflicts of needs often underlie conflicts of beliefs, making negotiation and problem solving useful.

May/June 2005

49. The Two-Dimensional Model of conflict handling developed by Thomas and Kilmann measures conflict using which two orthogonal dimensions?
(A) Assertiveness and Cooperativeness
(B) Cooperativeness and Uncooperativeness
(C) Aggressiveness and Competitiveness
(D) Avoidance and Accommodation

Oct/Nov 2023

50. Identify the incorrect pair regarding the negative effects of conflict.
(A) Escalation of minor conflicts into major conflicts – Negative effect
(B) Increase in number issues of the conflict – Negative effect
(C) Improved sense of identity and solidarity – Negative effect
(D) Leads to upsurge of hidden interests in the conflict – Negative effect

May/June 2018

51. Consider the following statements regarding the Collaborative approach to conflict:
I. It manages conflict by maintaining interpersonal relationships and ensuring that all parties to the conflict achieve their interests.
II. The individual acts not only on behalf of his/her self-interest but on behalf of the other party's interests as well, utilizing a win-win posture.
Which of the statement(s) is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2016

52. Consider the following factors regarding conflict situations:
I. At least two parties involved are interdependent.
II. The parties seemingly hold incompatible

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individual gain even at the direct expense of the interests of others.
(B) Avoiding – Involves making significant concessions to arrive at a resolution that straddles the exact midpoint.
(C) Competing – Sacrifices all individual self-interests to satisfy the immediate and long-term needs of others.
(D) Compromising – A strategy straddling the midpoint between cooperativeness and assertiveness.

Oct/Nov 2011

40. Match the sources of conflict in List I with their corresponding descriptions in List II.
List I: (Sources of Conflict)
P. Status incongruence
Q. Competitive work environment
R. Differences in value systems
S. Inadequate communication
List II: (Descriptions)
1. Lack of equal opportunities for achieving goals where monetary rewards depend on successful attainment.
2. Distorted messages that unintentionally create confusion and problems.
3. Salary differences among employees with similar profiles or uneven promotions.
4. Variations stemming from different backgrounds, up-bringing, culture, religion, and age groups.
(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2020

41. Consider the following statements regarding the Compromising style of conflict management:
I. It assumes that a win/win solution is not possible.
II. It adopts a negotiating stance involving a little bit of winning and a little bit of losing.
III. It completely ignores the interests of all parties involved to protect the relationship.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2021

42. In human terms, conflict is considered one of the "engines of evolution" primarily because:
(A) It inevitably ends up in destruction and death, paving the way for new structures.
(B) It ensures that parties evaluate perceived differences exclusively as negative.
(C) It allows us to learn, progress, and grow by furthering its constructive potential.
(D) It maintains a strict hierarchy devoid of interdependent relationships.

May/June 2024

43. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): Often the positive benefits of conflict are overshadowed by harmful consequences that result when disputing parties attempt to achieve their goals at the expense of others.
Reason (R): Such forcing exchanges bring about an escalation of the conflict that is difficult to reverse, leading to strained relationships.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

44. Read the given scenario and answer the question that follows:
A newly formed project team consists of senior employees nearing retirement and fresh graduates. The seniors prefer structured, formal interactions, whereas the graduates prefer informal, rapid digital communication. Frequent misunderstandings arise regarding interpersonal respect and work ethics. This conflict is rooted in:
(A) Status incongruence
(B) Competitive work environment
(C) Ideological scarcity
(D) Differences in value systems

May/June 2011

45. Read the given scenario and answer the question that follows:

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(C) P-2, Q-1, R-4, S-3
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2015

60. Identify the correct pair representing a positive effect of conflict.
(A) Upsurge of hidden interests – Positive effect
(B) Brings clarity on the real issue/s of conflict – Positive effect
(C) Escalation of minor conflicts – Positive effect
(D) Breaking/straining of relationships – Positive effect

May/June 2013

61. Identify the incorrect statement regarding the circumstances where the Accommodating style is recommended.
(A) When one party has a resolutely better solution.
(B) When the issues involved are considerably more important to one party.
(C) When an issue is vital to the long term success of the organization.
(D) When continued competition could damage the relationship, leading to escalated conflict in future.

Oct/Nov 2020

62. Consider the following suggested solutions for the management dilemma of 'Decreased levels of Performance':
I. Regular monitoring of employee performance.
II. Setting challenging but equally achievable work targets.
III. Assigning specific tasks to each team member and providing timely and constructive feedback.
IV. Analysing and evaluating the workflow periodically to know the root cause of the problem.
V. Holding periodic private meetings with the concerned employee for review instead of in-absentia.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V only
(B) II, III, IV, and V only
(C) I, II, IV, and V only
(D) I, II, III, IV, and V

May/June 2022

63. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): The Avoidance approach to conflict results in a high degree of frustration for all parties involved, as interests are usually not met.
Reason (R): A central theme of this style is hopelessness, manifesting as diplomatically sidetracking an issue or simply withdrawing from a threatening situation.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

64. Read the given scenario and answer the question that follows:
A department head assigns critical new tasks to subordinates without explaining the rationale behind the assignments or how they contribute to the overall project goal. Scepticism grows, leading to mistrust and a breakdown in collaboration. This situation highlights a failure to effectively manage the dilemma of:
(A) Low Morale levels
(B) Not able to attract high talents
(C) Poor Teamwork
(D) Conflicts among individual employees

NODIA

May/June 2017

65. Consider the following basic steps used to solve a problem and manage conflicts in an organization:
I. Clear communication.
II. A perception of the goals and targets.
III. Adequate role clarification.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

outcomes or beliefs.
III. The parties are experiencing strong emotions.
IV. At least one of the parties recognizes the incompatibility and perceives this to be problematic.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2009

53. Read the given scenario and answer the question that follows:
Two employees, working in the same department with similar experience and identical job profiles, undergo an appraisal. One gets promoted to a senior role while the other does not. The newly promoted employee now finds it awkward to interact freely with the former peer, leading to friction. This scenario highlights which source of conflict?
(A) Inadequate communication
(B) Competitive work environment
(C) Status incongruence
(D) Differences in value systems

Oct/Nov 2006

54. Identify the incorrect pair matching the conflict management style with its stance or posture.
(A) Collaborating – Win-win posture
(B) Compromising – Mini-win/mini-lose stance
(C) Avoiding – Win-lose proposition
(D) Accommodating – Yield-lose approach

May/June 2014

55. When forcing methods are used in a conflict, several negative consequences can follow. Which of the following is NOT one of those negative consequences?
(A) Cementing unity of the team
(B) Escalation of minor conflicts into major conflicts
(C) Increase in number issues of the conflict
(D) Breaking or straining of relationships between the parties

Oct/Nov 2022

56. Identify the correct statement regarding conflict resolution approaches.
(A) Once an emotion-free approach is adopted, it may be easy to resolve the conflict.
(B) Conflicts can only be resolved when there is an atmosphere of excessive control.
(C) A conflict arises when group members hold identical views about work procedures.
(D) Differing opinions and perceptions in a work situation cannot be termed as conflict.

May/June 2025

57. Read the given scenario and answer the question that follows:
A tech company has a strict core policy requiring formal dress codes. However, employees approach the management requesting permission to wear casuals on Fridays. To maintain peace and protect interpersonal relationships at all costs, the company gives in and allows the change. This yield-lose approach is known as:
(A) Accommodating
(B) Avoiding
(C) Competing
(D) Compromising

Oct/Nov 2010

58. Which of the following is NOT explicitly mentioned as a source of conflict at the workplace?
(A) Geographic distance between branch offices
(B) Status incongruence
(C) Competitive work environment
(D) Differences in value systems

May/June 2021

59. Match the conflict handling styles in List I with their corresponding dimensional placements in List II based on the Thomas & Kilmann model.
List I: (Styles)
P. Competing
Q. Accommodating
R. Avoiding
S. Collaborating
List II: (Placement)
1. High in concern for self (Assertive), Low in concern for others (Uncooperative)
2. Low in concern for self (Unassertive), High in concern for others (Cooperative)
3. Low in concern for self (Unassertive), Low in concern for others (Uncooperative)
4. High in concern for self (Assertive), High in concern for others (Cooperative)
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-3, R-2, S-1

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other as Reason (R). Select the correct answer using the options provided:
Assertion (A): Conflict basically arises from a different perception of a situation and the prestige and ego of the person perceiving it.
Reason (R): Conflict resolution requires that the persons involved view the problem exclusively from their own emotional standpoint.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2017

34. Read the given scenario and answer the question that follows:
Two businesses are engaged in a contract negotiation. Both observe that there is a risk of losing something of value if the dispute continues. They decide to give in slightly, using persuasion and manipulation to find an expedient, mutually acceptable solution where both experience a mini-win/mini-lose. This strategy represents:
(A) Collaborating
(B) Competing
(C) Avoiding
(D) Compromising

May/June 2006

35. Read the given scenario and answer the question that follows:
A bank implements a new incentive scheme where only the top 5% of sales executives will receive a substantial annual bonus, but provides varying levels of marketing support to different executives. Frequent arguments break out over the fairness of lead distribution. This conflict primarily stems from:
(A) Competitive work environment
(B) Status incongruence
(C) Differences in value systems
(D) Inadequate communication

Oct/Nov 2008

36. Read the given scenario and answer the question that follows:
A supervisor notices growing tension between two team members over seating arrangements. Believing that someone with no capacity will avoid problems, the supervisor ignores the conflict, making a conscious effort to delay and hoping the issue resolves over time by simply withdrawing from the threatening situation. This leave-lose approach is:
(A) Avoiding
(B) Compromising
(C) Collaborating
(D) Accommodating

May/June 2008

37. Consider the following statements regarding the expected traits and duties of personnel handling grievances:
I. They should possess a broad, open, and co-operative attitude.
II. They must be potent with the legal and statutory procedures of grievance handling.
III. They should follow the timelines prescribed in disposing of the individual grievances diligently.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2013

38. Match the nature of conflict consequences in List I with their specific examples in List II.
List I: (Nature of Consequence)
P. Positive effect
Q. Positive effect
R. Negative effect
S. Negative effect
List II: (Examples)
1. Foster positive attitude among the parties.
2. Increases trust between the parties.
3. Escalation of minor conflicts into major conflicts.
4. Breaking/straining of relationships between the parties.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2010

39. Identify the correct pair matching the conflict management style with its primary drive.
(A) Accommodating – The drive to maximize

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Oct/Nov 2005

66. Read the given scenario and answer the question that follows:

A project team is scheduled to deliver a client report on the 30th of the month. The manager plans a detailed work schedule and sets internal task completion deadlines for the 25th. This allows five days to review the work, make necessary changes, and reassign tasks if any member is struggling. This strategy effectively addresses the dilemma of:

(A) Poor Time Management
(B) Poor Teamwork
(C) Retaining High Performers
(D) Low Morale levels

May/June 2019

67. Consider the following characteristics of the Accommodating approach to conflict:

I. Maintaining the interpersonal relationships at all costs.
II. Giving in, appeasing, and avoiding the conflict as ways of protecting relationships.
III. Viewing the stance toward conflict management as yield-lose, allowing the other parties to win.
IV. Using whatever power seems appropriate to attempt to win.

Which of the above statement(s) is/are correct?
(A) I, II, and IV only
(B) I, II, and III only
(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2014

68. Consider the following statements regarding a dilemma:

I. It implies the pressure towards two possible solutions, yet each with potential drawbacks and negative externalities.
II. Dilemmas are often perceived as an "inevitable evil" in decision making.

Which of the statement(s) is/are correct?
(A) I only
(B) II only
(C) Both I and II
(D) Neither I nor II

May/June 2007

69. Which of the following is NOT a suggested solution for dealing with 'Problem employees'?

(A) Assigning them the most prestigious projects immediately to force an attitude adjustment.
(B) Establishing direct communication and counselling them to see the reason for change of attitude.
(C) Making it clear that they may face disciplinary actions or job termination if they disregard the code of conduct.
(D) Using mediation to try and resolve personal or work-related disputes.

Oct/Nov 2025

70. Which conflict style is most appropriate when the issue is trivial, you don't have a great concern about the outcome, and there will be potential damage to the organization if the conflict is pursued?

(A) Collaborating
(B) Competing
(C) Avoiding
(D) Compromising

May/June 2023

71. Consider the following statements reflecting the solutions for 'Low Morale levels':

I. Establish direct communication and interaction with the staff and acknowledge and thank them for persevering.
II. Avoid making promises which cannot be fulfilled as the staff may be further demoralized.
III. Revisit all HR policies to make them more responsive to the aspirations of the employees.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2018

72. Match the specific circumstances in List I with the recommended conflict style in List II.

List I: (Circumstances)

P. When complete resolutions are needed to eliminate left-over negative feelings.
Q. When the goal of outcome is not worth the time and energy required for collaboration.
R. When you really don't care a lot about the outcome but do want to preserve or build the relationship.
S. When the issue is trivial and it is better to postpone.

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Authorities.
II. Code of Discipline approved in the 16th session of the Indian Labour Conference.
III. Paragraph 517 of the Sastry Award.
IV. Code of Discipline adopted in the 15th session of the Indian Labour Conference.
(A) III, IV, II, I
(B) III, II, IV, I
(C) IV, III, I, II
(D) I, III, IV, II

Oct/Nov 2020

20. Read the given scenario and answer the question that follows:
An employee submits a formal complaint alleging that a colleague is receiving preferential treatment regarding leave approvals. Upon investigation, it is found that the colleague's leave was entirely legitimate under the company policy, and the complaint was filed purely out of jealousy. This grievance falls under which category?
(A) Employee-oriented grievance
(B) Management-oriented grievance
(C) Inter-union grievance
(D) Status incongruence

May/June 2022

21. Consider the following statements regarding administrative measures for minimizing individual grievances in organizations:
I. Establishing open communication channels (vertical, horizontal, and cross-sectional).
II. Formulating reasonably stable and flexible policies which are periodically reviewed.
III. Adopting and nurturing a participative style of functioning.
IV. Interpreting policies with intentional deviations to favor high-performing employees.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, and IV only

Oct/Nov 2024

22. Allowing grievances to remain unattended creates a situation of tension, which directly leads to:
(A) Increased inter-personal trust
(B) Lack of interest, poor work output, and major errors
(C) Immediate formulation of new organizational policies
(D) Complete elimination of problem employees

May/June 2017

23. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): Organizations sometimes come across employee-oriented grievances which are ridiculous and untrue.
Reason (R): These grievances are by and large borne out of jealousy and contempt among employees, such as when other employees enjoy legitimate benefits.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

24. Which Act provides for the reference of certain individual disputes to grievance settlement authorities by adding a new section, Section 9C?
(A) Industrial Employment (Standing Orders) Act, 1946
(B) Trade Unions Act, 1926
(C) Factories Act, 1948
(D) Industrial Disputes (Amendment) Act, 1982

May/June 2019

25. The primary objective of a grievance redressal procedure is to:
(A) Systematically overrule the authority of line managers in established organizational decision-making processes.
(B) Handle grievances effectively and expeditiously to prevent them from snowballing into industrial disputes.
(C) Guarantee that every specific employee demand is fully accommodated regardless of existing company policy.
(D) Shift the daily responsibility of maintaining employee discipline entirely to recognized trade unions.

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(D) Avoid organizing workshops with external reputed behavioural experts as they disrupt internal culture.

Oct/Nov 2008

78. Which of the following is NOT a circumstance where the Competing style is recommended?
(A) When quick, decisive action is expedient and vital.
(B) When an issue is vital to the long term success of the organization.
(C) When you don't care about the relationship but the outcome is important.
(D) When the outcome is not crucial and you are losing time.

May/June 2008

79. When dealing with 'Decreased levels of Performance', if there is still no improvement in performance despite all best efforts of the management, what is the suggested ultimate action?
(A) To immediately promote the employee to shift their responsibilities.
(B) To invoke disciplinary rules as a last resort, treated as an exception but not as a rule.
(C) To ignore the performance drop and avoid any confrontation.
(D) To accommodate the employee by reducing their targets permanently.

Oct/Nov 2013

80. When organizations are faced with the "horns of dilemma", what usually determines the type of choices being made by the managers?
(A) The Grievance Settlement Authority's procedural manual regarding the handling of individual industrial disputes.
(B) The individual preferences and psychological temperaments of the lowest ranking employees in the hierarchy.
(C) The immediate and short-term avoidance of taking any tough stands against established organizational norms.
(D) The prevailing organizational leadership culture, values, norms, and shared management practices.

May/June 2010

81. Identify the correct statement concerning the dilemma of 'Retaining High Performers'.
(A) Policies should be formulated to treat high performers and low-performers identically to avoid all internal conflict.
(B) High performers should be kept hidden from public appreciation to prevent significant jealousy among their peers.
(C) Management should evolve transparent policies that differentiate and compensate high performers suitably.
(D) Incentivising high performers through rewards and perks is strictly against all recognized organizational rules.

Oct/Nov 2011

82. Identify the correct statement specifying a circumstance where the Compromising style is recommended.
(A) When collaborating does not work out and the conflict cannot otherwise be resolved.
(B) When an issue is vital to the long term success of the organization.
(C) When there is no possibility of either settling or resolving the issue.
(D) When no party has a good solution and concerns are too important for compromise.

May/June 2020

83. Read the given scenario and answer the question that follows:
Two managers are debating the implementation of a new filing system. Manager A presents a resolutely better solution supported by data, while Manager B's method is outdated. Manager B realizes that the issue is considerably more important to Manager A and wants to build their working relationship. Manager B decides to accept Manager A's solution. Which style did Manager B use?
(A) Competing
(B) Avoiding
(C) Compromising
(D) Accommodating

Oct/Nov 2021

84. Match the common management dilemmas in List I with their suggested solutions in List II.
List I: (Dilemmas)
P. Poor Teamwork
Q. Performance Pressure
R. Poor Time Management
S. Retaining High Performers
List II: (Solutions)
1. Re-frame the team composition and revisit the purpose of a project.
2. Evolve fascinating and robust work-life balance schemes and policies.

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3. Plan a detailed work schedule at the start of the project and set deadlines in advance.
4. Evolve clear paths of career advancement and offer high-end training programmes.

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

May/June 2024

85. Read the given scenario and answer the question that follows:
A manufacturing unit faces a severe financial crisis. The manager is pressed to choose between terminating employees to cut costs versus collectively "acting tough" without cutting human resources, despite shrinking budgets. This complicated issue, where taking a tough stand seems unavoidable but problematic either way, is an example of:
(A) Status Incongruence
(B) Compromising Style
(C) Management Dilemma
(D) Grievance Settlement

Oct/Nov 2007

86. Match the specific circumstances in List I with the recommended conflict style in List II.
List I: (Circumstances)
P. When concerns are too important for compromise.
Q. When a quick and temporary expedient settlement is acceptable.
R. When one party has a resolutely better solution.
S. When quick, decisive action is expedient and vital.
List II: (Recommended Styles)
1. Accommodating
2. Competing
3. Collaborating
4. Compromising

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2011

87. Read the given scenario and answer the question that follows:
During the final rollout of a critical software, unexpected integration issues occur, placing immense strain on the tech team. The project manager advises the team to remain calm, reminds them that encountering hurdles is normal, and focuses the team on finding an appropriate solution while informing senior management. The manager is handling the dilemma of:
(A) Poor Time Management
(B) Performance Pressure
(C) Status Incongruence
(D) Problem employees

Oct/Nov 2019

88. Read the given scenario and answer the question that follows:
A sudden safety hazard is identified on the factory floor. The shift manager orders an immediate shutdown and evacuation. Some workers argue to stay and finish the batch to meet targets. The manager enforces the shutdown aggressively. Which conflict style is justified here because quick, decisive action is expedient and vital?
(A) Accommodating
(B) Competing
(C) Collaborating
(D) Avoiding

May/June 2015

89. Read the given scenario and answer the question that follows:
A team member continuously disregards the organizational code of conduct, exhibits a negative attitude, and subtly bullies junior staff. The manager establishes direct communication, counsels the employee on the consequences of this attitude, and emphatically communicates the company's no-tolerance policy. This scenario represents the management of which dilemma?
(A) Poor Time Management
(B) Problem employees
(C) Retaining High Performers
(D) Low Morale levels

Oct/Nov 2012

90. 'Management Dilemma' is best defined as:
(A) Situations with two competing extremes where actors face an "either... or..." choice with drawbacks.
(B) Straightforward organizational scenarios where the optimal decision is immediately apparent to all actors.
(C) Grievances filed solely by recognized trade union leaders against the established administrative staff.

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(D) The unquestioned authority of senior level officers to impose rigid and unchangeable daily workloads.

May/June 2005

91. Consider the following steps for an organization to adopt to resolve the dilemma of 'Not able to attract high talents':

I. Evolve a job advertisement with a detailed work description and skills requirements.
II. Shortlist candidates who exactly confirm to the requirements set out in the advertisement.
III. Engage outside subject matter experts to be included in the interview panel.
IV. Choose the right method of selection based on the position.
V. Evaluate candidates by posing right and appropriate questions to hire the right fit.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

Oct/Nov 2023

92. If a conflict among individual employees or groups proves to be entirely intractable despite all attempts at mediation and brainstorming, what is the most appropriate ultimate solution suggested?

(A) Suspend the entire department to set an example.
(B) Ignore the conflict and hope time resolves it.
(C) Reassign or relocate one or more of the individuals.
(D) Refer the matter to the Grievance Settlement Authority immediately.

May/June 2018

93. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:

Assertion (A): When addressing low morale levels, managers should strictly avoid making promises which cannot be fulfilled.

Reason (R): The staff may be further demoralized by assertions that eventually prove to be untrue, leading to a drop in trust.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2016

94. Read the given scenario and answer the question that follows:

An IT firm struggles to hire specialized cloud architects despite posting vacancies for months. Finally, the HR department decides to include an external cloud computing expert in their interview panel and revises the job ad to detail specific skill requirements. By choosing this precise method of selection and evaluation, the company is addressing the dilemma of:

(A) Poor Teamwork
(B) Retaining High Performers
(C) Not able to attract high talents
(D) Lack of effective Communication

May/June 2009

95. Identify the incorrect statement regarding solutions for the dilemma of 'Lack of effective Communication or mis-communication'.

(A) Written communications should be extensively complex to ensure formal authority is maintained across the organization.
(B) Revisit the communication channels to make them more effective, seamless, clear, and unambiguous.
(C) The mode of communicating should be without distortions and defects, reachable timely to all concerned.
(D) Organizations should make verbal, written, and listening skills more effective, making it easy for employees to approach it.

Oct/Nov 2006

96. Read the given scenario and answer the question that follows:

Two shift supervisors are constantly arguing over resource allocation, disrupting operations. The branch head meets individually with each supervisor, provides ample opportunity for them to give their side of the story, listens objectively, and encourages them to brainstorm ways to resolve the problem together. This approach solves the dilemma of:

(A) Retaining High Performers through specialized career advancement and

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and apply it inconsistently across various regions or departments. This inconsistency leads to perceived unfairness and widespread discontent among staff, illustrating how management's procedural choices and interpretations serve as a significant source of conflict.

9. (B) I, II, III, and V
Formal grievance machinery provides a structured framework for addressing workforce concerns. It identifies specific authorities for lodging complaints, defines escalation paths for appeals, and sets clear timelines for disposal. Historically, management often viewed these systems as mere compliance tools, while unions feared they might bypass their influence. These mechanisms remain essential for maintaining organized and transparent industrial relations today.

10. (B) P-1, Q-2, R-3, S-4
Grievances are classified into several categories based on their origin. Management-oriented grievances result from loosely knit policies and varied interpretations. Employee-oriented grievances stem from interpersonal jealousy and contempt. Inter/intra-union traits involve competition between multiple unions of similar size. Finally, problem employees are those who are naturally negative and dissatisfied, consistently finding reasons to file complaints within the organization.

11. (D) Discouraging mutual trust between management and unions to maintain strict hierarchy.
To minimize individual grievances, organizations should foster a culture of mutual trust and open communication. Administrative measures include interpreting policies uniformly and seeking employee feedback on major changes. Conversely, discouraging trust or maintaining a rigid, unapproachable hierarchy is detrimental. Such actions isolate management from the workforce, increasing the likelihood of unaddressed tensions and future industrial disputes within the establishment.

12. (C) International Labour Organisation
The International Labour Organisation provides a comprehensive definition of grievance that covers specific workplace issues. This definition includes complaints regarding wages, allowances, and working conditions. It also extends to the interpretation of service stipulations like overtime, leave, and termination. By standardizing these categories, the organization helps employers and workers identify which issues qualify for formal grievance redressal procedures globally.

13. (D) I, II, III, and IV
Effective grievance redressal procedures must incorporate several key features to ensure fairness. These include maintaining open communication channels and approaching employee concerns with sympathy. Organizations should also identify specific authority levels for speedy decision-making and provide a clear process for appeal and review. These elements work together to build employee confidence and resolve workplace conflicts in a systematic manner.

14. (C) Establishments with multiple unions of similar size often face management-focused individual grievances.
In establishments where multiple unions of similar size exist, individual grievances often arise from inter-union or intra-union rivalries. These rivalries create a management-focused environment where employees may file grievances to prove their union's influence or challenge management's neutrality. Such dynamics demonstrate that collective organizational structures significantly impact the frequency and nature of individual complaints within the industrial framework.

15. (D) Grievance Settlement Authority
Section 9C of the Industrial Disputes Act mandates that every industrial establishment with fifty or more workmen must establish a Grievance Settlement Authority. This body is specifically designed to receive and settle disputes connected with individual workmen. In cases where an establishment employs sixty-five workers, the employer is legally required to have this internal mechanism operational for individual conflict resolution.

16. (A) Dale Yoder
Dale Yoder defines a grievance specifically as a written complaint submitted by an employee. This definition emphasizes the formalization of dissatisfaction, focusing on the individual's

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ANSWERS

1. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Handling grievances promptly is critical to prevent escalation into industrial unrest. Unresolved issues typically fester, causing internal friction and psychological stress among the workforce. This tension can manifest as accidents, poor productivity, or collective actions like strikes. Therefore, immediate intervention ensures a stable work environment by addressing employee concerns before they transform into major disputes and long-term organizational disharmony.

2. (C) A procedure where the manager investigates the complaint as soon as possible after its notification.
The Sastry Award established a significant precedent for labor relations within the banking sector. Paragraph 517 specifically outlines a structured procedure for addressing employee complaints. It mandates that managers investigate notified grievances as quickly as possible. This ensures that personal or work-related issues are reviewed promptly by management to maintain industrial peace and organizational efficiency within various financial institutions.

3. (C) Keith Davis
Keith Davis provided a psychological perspective on labor relations by focusing on the perception of the employee. He emphasized that a grievance is not necessarily based on a factual violation but on any feeling of personal injustice. This feeling can be either real or imagined, yet it still affects the individual's overall relationship with their employment and management hierarchies.

4. (A) I only
Section 9C of the Industrial Disputes Act allows individual workmen or their trade unions to refer disputes to the Grievance Settlement Authority. However, the law prohibits making a reference under Chapter III of the Act unless the dispute has first been referred to the Authority and a decision is rendered that is unacceptable to the workman involved in the case.

5. (B) The personality traits of personnel holding reigns in the hierarchy play no role in the creation of grievances.
Grievances stem from various sources, including management policies and employee psychology. While employee-oriented grievances relate to individual traits, management-oriented grievances involve leadership styles and policy interpretation. The personality traits of individuals in power significantly influence how policies are implemented. Therefore, the character and behavior of those in the hierarchy are directly linked to the creation of employee dissatisfaction.

6. (B) The workman may now seek reference under Chapter III of the Industrial Disputes Act.
In establishments with fifty or more workmen, a Grievance Settlement Authority is required. If a workman finds the Authority's decision unacceptable, they possess the legal right to seek further recourse. Specifically, the dispute can then be referred for adjudication or conciliation under Chapter III of the Industrial Disputes Act, providing a statutory pathway for escalated conflict resolution and justice.

7. (B) A grievance
Employee dissatisfaction undergoes a transition in terminology based on its communication. When an employee shares their discontent with a peer, it is informally categorized as a complaint. However, once this dissatisfaction regarding the work situation is formally brought to the management's notice, it is officially defined as a grievance, triggering the formal organizational or statutory redressal mechanisms available for the workforce.

8. (B) Management-oriented traits
Management-oriented grievances often arise from administrative failures such as poorly drafted or ambiguous policies. When a central policy is not clearly defined, different managers may interpret

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constructively, conflict allows individuals and groups to learn from differing perspectives and adapt to new challenges. Rather than being purely destructive, it serves as a catalyst for innovation and the refinement of ideas, relationships, and organizational systems.

43. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Positive aspects of conflict are often obscured by negative consequences when parties use forcing methods. Forcing occurs when one side attempts to achieve their goals at the direct expense of the other. This typically leads to a rapid escalation of the conflict and creates strained relationships that are difficult to repair, as the exchange is perceived as aggressive and unfair.

44. (D) Differences in value systems
Conflicts often arise from differences in value systems, which are shaped by an individual's background, age, and culture. In workplace settings, senior employees and younger graduates may hold contrasting views on formality, communication methods, and work ethics. These diverging perceptions of what is respectful or efficient lead to misunderstandings and tension, rooted deeply in their underlying individual beliefs.

45. (C) Competing
The competing style of conflict management is a power-oriented approach where one party seeks to win at the other's expense. It is viewed as a win-lose proposition where the individual uses whatever authority or power is available to defend their position. This style prioritizes the outcome over the relationship and is used when a quick, decisive stand is required in organizations.

46. (B) Strategies geared towards achieving positive outcomes and resolution among parties involved in conflicts.
Conflict management involves the application of strategies and techniques intended to achieve positive resolutions among disputing parties. It recognizes that while differences of opinion are inevitable in modern work environments, they can be directed toward constructive outcomes. The process focuses on resolving disagreements efficiently to maintain organizational harmony and ensure that conflicts do not hinder organizational goal achievement.

47. (B) Collaborating
Collaborating is a conflict resolution style where all parties work together to find a solution that fully satisfies their respective interests. This approach is characterized by high levels of both assertiveness and cooperativeness. It is useful when long-term relationships are critical and when integrating different perspectives is necessary to achieve a common ground of acceptance and sustainable group outcomes.

48. (B) Ideological conflict falls into the category of conflict of needs where contention is rooted in scarce monetary resources.
Conflicts can be categorized into those based on needs or beliefs. Conflicts of needs arise from competition over scarce resources or personal goals. Conversely, conflicts of beliefs stem from differences in convictions or perceptions of reality. Ideological conflict belongs to the category of beliefs rather than needs, as it is rooted in deeply held values rather than physical scarcity.

49. (A) Assertiveness and Cooperativeness
The Thomas-Kilmann conflict model is built upon two independent, orthogonal dimensions: assertiveness and cooperativeness. Assertiveness measures the extent to which an individual attempts to satisfy their own concerns. Cooperativeness measures the extent to which they attempt to satisfy the other person's concerns. These two dimensions define the five distinct styles used to manage and resolve diverse workplace conflicts.

50. (C) Improved sense of identity and solidarity – Negative effect
Negative effects of conflict typically include the escalation of minor issues and a focus on hidden interests that complicate resolution. However, an improved sense of identity and solidarity within a group is generally considered a positive effect. This occurs when external or internal challenges cause a group to unite, clarifying their shared values and strengthening their internal bonds.

51. (C) Both I and II
The collaborative approach to conflict management focuses on achieving a win-win

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claim of being treated unfairly. By requiring the complaint to be in writing, this perspective distinguishes a formal grievance from casual complaints or oral expressions of dissatisfaction within the professional employment relationship between parties.

17. (B) 50 or more workmen
The Industrial Disputes Act was amended to introduce Section 9C, which focuses on internal dispute resolution. This section mandates that any industrial establishment employing fifty or more workmen must set up a Grievance Settlement Authority. This threshold ensures that larger workforces have access to a structured internal body to address individual disputes before they escalate to external labor courts.

18. (A) P-1, Q-2, R-3, S-4
Definitions of grievance vary among scholars and international bodies. Dale Yoder focuses on written complaints of unfair treatment, while Keith Davis highlights personal feelings of injustice. Beach views it as dissatisfaction brought to management's notice, and the International Labour Organisation specifies issues like wages. Matching these authors to their definitions provides a comprehensive understanding of diverse industrial relations perspectives.

19. (A) III, IV, II, I
The evolution of grievance procedures in India followed a specific timeline. First, the Sastry Award established early banking procedures. Subsequently, the 15th session of the Indian Labour Conference adopted the Code of Discipline in 1957, which was further approved in the 16th session in 1958. Finally, the Industrial Disputes (Amendment) Act of 1982 introduced the Grievance Settlement Authority.

20. (A) Employee-oriented grievance
Employee-oriented grievances are often rooted in the psychology and personal motivations of the workforce rather than actual management failures. These can include complaints that are untrue or ridiculous, frequently driven by jealousy or contempt toward colleagues. When an employee feels aggrieved because a peer receives legitimate benefits, the issue stems from their internal state rather than organizational injustice.

21. (A) I, II, and III only
Minimizing individual grievances requires administrative measures that promote transparency and participation. Organizations should establish open communication across all levels and develop flexible, periodically reviewed policies. A participative management style further helps in securing employee acceptance of changes. Conversely, intentional deviations from policy to favor specific individuals create a sense of unfairness, which is counterproductive to maintaining industrial harmony.

22. (B) Lack of interest, poor work output, and major errors
Neglecting employee grievances leads to a significant accumulation of internal tension and frustration. This psychological strain manifests physically through a lack of interest in daily tasks and a notable decrease in work quality. Consequently, employees are more likely to commit major errors or produce poor output. Unattended grievances thus directly impair organizational productivity and can eventually cause industrial accidents.

23. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Employee-oriented grievances frequently arise from the internal mindset and psychology of the workforce. Some complaints may be baseless or exaggerated, stemming from interpersonal feelings like jealousy or contempt rather than actual policy violations. This occurs when employees misinterpret the legitimate benefits or successes of their peers as personal slights, leading to the filing of grievances that lack merit.

24. (D) Industrial Disputes (Amendment) Act, 1982
The Industrial Disputes (Amendment) Act of 1982 introduced significant changes to the framework of labor relations in India. One of the primary additions was Section 9C, which mandates the establishment of a Grievance Settlement Authority. This legal provision was designed to provide a statutory mechanism for resolving individual disputes within organizations, thereby reducing the burden on external labor courts.

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25. (B) Handle grievances effectively and expeditiously to prevent them from snowballing into industrial disputes.
The primary goal of any grievance redressal procedure is to manage internal conflicts effectively and with speed. By providing a structured channel for addressing complaints, organizations can resolve issues at their inception. This prevents minor individual grievances from escalating into more serious industrial disputes or collective unrest, thereby maintaining a stable work environment and preserving the relationship between management and labor.

26. (D) Beach
Beach defined a grievance as any dissatisfaction or feeling of injustice related to an individual's employment situation that is formally brought to the management's notice. This definition highlights two critical components: the subjective feeling of the employee and the act of communication to the employer. It broadens the scope of grievances beyond legal violations to include any perceived workplace unfairness.

27. (A) References under Chapter III require prior GSA submission and a subsequently unacceptable decision for the worker.
The Grievance Settlement Authority serves as a mandatory internal step for resolving individual disputes in larger establishments. Under the law, a workman cannot seek a reference for their dispute under Chapter III of the Industrial Disputes Act without first submitting it to this Authority. Only if the Authority's decision is unacceptable can the workman proceed with further legal action.

28. (A) Management-actions and varied interpretations of loosely knit policies.
Management-oriented grievances are primarily caused by the actions and administrative decisions of the organization's leadership. These grievances often stem from loosely knit policies that allow for varied or inconsistent interpretations across different levels of management. When policies regarding transfers, promotions, or benefits are not applied uniformly, employees perceive unfairness, leading to formal complaints against the management's administrative practices.

29. (A) 1957
In 1957, the 15th session of the Indian Labour Conference took a significant step by adopting the Code of Discipline. This code included a draft grievance procedure intended to provide a standardized framework for organizations to resolve employee complaints. This development marked a critical moment in the history of Indian industrial relations by emphasizing voluntary cooperation over litigious conflict resolution.

30. (D) I, II, and III
Grievances have profound negative impacts on both employees and the organization. They typically result in low morale, indifference to work, and personal frustration. If left unaddressed, these feelings can vitiate interpersonal relationships and create rivalries among the staff. Ultimately, the accumulation of unresolved individual grievances can lead to major industrial unrest, damaging the overall productivity and organizational harmony of the establishment.

31. (C) Both I and II
Conflict is driven by the interplay between outcomes and interests. An outcome represents the specific solution or position an individual wants to achieve. Interests, however, are the underlying reasons, needs, or beliefs that motivate that desire. Understanding both components is essential for resolution, as it allows parties to look beyond surface-level demands to address the fundamental human concerns involved.

32. (A) II, III, I
The study of conflict resolution evolved from simple to complex models. Early research measured conflict along a single dimension with bipolar anchors. Later, Blake and Mouton introduced a two-dimensional grid measuring concern for people and production. Finally, Thomas and Kilmann refined this into a popular framework featuring five distinct styles based on the orthogonal dimensions of assertiveness and cooperativeness.

33. (C) Assertion (A) is true, but Reason (R) is false.
Conflict stems from differing perceptions of reality, often influenced by an individual's ego and prestige. Resolving such conflicts requires moving beyond a purely emotional or one-sided

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standpoint. While the assertion that conflict arises from perception is true, the claim that resolution requires individuals to view problems exclusively from their own emotional standpoint is false, as resolution requires objective thinking.

34. (D) Compromising
Compromising is a conflict management strategy where parties seek a quick, mutually acceptable solution. It involves a "mini-win/mini-lose" outcome where each side gives up something of value to resolve the dispute. This approach often relies on persuasion or manipulation to reach a middle ground, assuming that a full win-win collaboration is either too difficult or not worth the effort.

35. (A) Competitive work environment
A competitive work environment is a frequent source of conflict, especially when rewards are linked to scarce resources or limited opportunities. When organizations implement incentive schemes where only a small percentage of staff can succeed, it creates intense rivalry. If the marketing support provided to achieve these goals is perceived as unequal, it further triggers breakdown in organizational cooperation.

36. (A) Avoiding
The avoiding style of conflict management is characterized by a "leave-lose" approach where an individual withdraws from a threatening situation. This strategy often involves sidetracking the issue, delaying action, or hoping that the problem will resolve itself over time. While it may provide temporary relief from tension, it usually fails to address the underlying cause of the conflict, leading to a lose-lose result.

37. (D) I, II, and III
Personnel responsible for handling grievances must demonstrate specific professional and personal traits. They should maintain a cooperative and open attitude while being well-versed in legal and statutory procedures. Diligence in following prescribed timelines is also essential for effective resolution. These qualities ensure that individual grievances are managed fairly and efficiently, preventing them from escalating into larger organizational disputes or unrest.

38. (A) P-1, Q-2, R-3, S-4
Conflict can have both positive and negative consequences depending on how it is managed. Positive effects include fostering better attitudes and increasing trust between parties. Conversely, negative effects manifest as the escalation of minor issues into major disputes and the straining of relationships. Understanding these potential outcomes helps organizations adopt strategies that maximize the constructive potential of interpersonal or group conflicts.

39. (D) A strategy straddling the midpoint between cooperativeness and assertiveness.
Compromising is a conflict resolution style that sits at the midpoint of the assertiveness and cooperativeness dimensions. It is driven by the desire to find an expedient settlement that partially satisfies both parties. Unlike collaboration, which seeks a full win-win, compromising involves making concessions to reach a middle ground where both sides experience a partial win and loss simultaneously.

40. (A) P-3, Q-1, R-4, S-2
Conflicts at work arise from diverse sources. Status incongruence occurs when salary or promotion differences exist among similar profiles. Competitive environments involve a lack of equal opportunity for monetary rewards. Value system differences stem from variations in culture, religion, and background. Finally, inadequate communication results from distorted or confusing messages that unintentionally create interpersonal problems and complex organizational friction.

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41. (A) I and II only
The compromising style of conflict management operates on the assumption that a perfect win-win solution may not be achievable. It involves a negotiating stance where parties accept a "little bit of winning and a little bit of losing." This approach does not ignore interests but rather seeks a quick, practical middle ground to resolve the dispute and move forward.

42. (C) It allows us to learn, progress, and grow by furthering its constructive potential.
In human and organizational terms, conflict is viewed as an engine of evolution because it drives progress and growth. When managed

transparent incentive schemes.
(B) Conflicts among individual employees and/or groups by focusing on mutual problem-solving methods.
(C) Poor Time Management by setting early internal deadlines and monitoring daily project progress.
(D) Lack of effective Communication by revisiting channels and ensuring clear messaging platforms.

May/June 2014

97. Match the nature of the dilemma in List I with the specific strategic action to overcome it in List II.
List I: (Dilemma)
P. Retaining High Performers
Q. Problem employees
R. Decreased levels of Performance
S. Conflicts among groups
List II: (Strategic Action)
1. Openly appreciate them as to how they are of value and worth to the organization.
2. Inform them emphatically about the company's no-tolerance policy regarding disrespectful behaviour.
3. Analyze and evaluate the workflow periodically to know the exact root cause.
4. Meet individually with every employee involved, listen objectively, even if you disagree.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2022

98. Consider the following recommendations to overcome the dilemma of 'Lack of effective Communication or mis-communication across organization':
I. Revisit the communication channels to make them seamless and clear.
II. Ensure written communications are simple, to the point, and easily understandable.
III. Implement a messaging platform like a management Blog for timely team communication.
IV. Ensure the mode of communicating is without distortions and defects.
Which of the above statement(s) is/are correct?
(A) I, II, and IV only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2025

99. Match the management dilemmas in List I with their corresponding solutions in List II.
List I: (Dilemmas)
P. Lack of effective Communication
Q. Not able to attract high talents
R. Low Morale levels
S. Conflicts among groups
List II: (Solutions)
1. Implement a messaging platform like management Blog or employees Blog.
2. Evolve a job advertisement with a detailed work description and skills requirements.
3. On an ongoing basis, always recognize and reward good performance.
4. Emphasize that the goal is not to decide who is right and who is wrong.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2010

100. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Select the correct answer using the options provided:
Assertion (A): Organizations must realize there is a problem and try to identify and address dilemmas as early as possible, rather than avoiding them.
Reason (R): Avoidance only escalates the issue, whereas analyzing the underlying issue helps the organization prepare for future complications.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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outcome for all parties involved. It requires individuals to act on behalf of their own interests while simultaneously considering the interests of the other party. By maintaining strong interpersonal relationships and seeking integrated solutions, this style ensures that everyone's underlying needs are met, leading to effective and sustainable resolutions.

52. (D) I, II, III, and IV
A conflict situation is defined by several key factors involving interdependent parties. These parties must perceive their outcomes or beliefs as incompatible and experience strong emotions regarding the situation. Furthermore, at least one party must recognize this incompatibility and view it as problematic. These elements together create the friction necessary to classify a workplace interaction as a formal organizational conflict.

53. (C) Status incongruence
Status incongruence serves as a significant source of conflict when perceived imbalances occur among employees with similar profiles. For example, when one peer is promoted over another, it can create awkwardness and friction in their interaction. This change in hierarchical standing disrupts previous relational norms, leading to interpersonal tension based on the shift in status rather than work tasks.

54. (C) Avoiding – Win-lose proposition
Conflict management styles are associated with specific postures. Collaboration aims for a win-win, while compromising seeks a mini-win/mini-lose. Accommodation represents a yield-lose approach. However, the avoiding style is not a win-lose proposition; instead, it is characterized by withdrawal, where neither party's interests are addressed, often resulting in a lose-lose situation due to the lack of resolution.

55. (A) Cementing unity of the team
Forcing methods in conflict resolution often lead to negative outcomes such as the escalation of minor issues and the straining of relationships. These methods prioritize one party's goals over another's, creating resentment and increasing the number of points of contention. Cementing the unity of a team is not a consequence of forcing; rather, it is a positive outcome of collaboration.

56. (A) Once an emotion-free approach is adopted, it may be easy to resolve the conflict.
Successful conflict resolution is more likely when parties adopt an emotion-free, objective approach to the problem. By focusing on factual differences and shared interests rather than personal feelings or ego, individuals can find mutually acceptable solutions. This transition from emotional reaction to rational problem-solving is a fundamental step in de-escalating tension and reaching a sustainable agreement in workplaces.

57. (A) Accommodating
The accommodating style of conflict management is defined by a "yield-lose" posture where one party gives in to the demands of the other. This approach prioritizes the maintenance of interpersonal relationships and social harmony over personal interests or organizational rules. It is used when the issue is less important than preserving peace or building long-term goodwill with others in organizations.

58. (A) Geographic distance between branch offices
Common sources of workplace conflict include status incongruence, competitive environments, and differences in value systems or communication styles. While geographic distance between branch offices might pose logistical challenges, it is not explicitly categorized as a primary source of conflict in the same way as interpersonal factors like unequal promotion opportunities, distorted messaging, or clashing cultural backgrounds among employees.

59. (A) P-1, Q-2, R-3, S-4
The Thomas-Kilmann model maps five conflict styles across dimensions of assertiveness and cooperativeness. Competing is high in assertiveness and low in cooperativeness. Accommodating is low in assertiveness and high in cooperativeness. Avoiding is low in both, while collaborating is high in both. These placements help individuals understand how their behavior impacts both their own goals and relationships.

60. (B) Brings clarity on the real issue/s of conflict – Positive effect
Conflict can produce positive outcomes if it leads to greater understanding. One such positive effect is the clarity it brings to the real issues underlying the dispute. By bringing hidden tensions to the

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May/June 2007

20. Identify the incorrect pair regarding the type of managerial decisions and their scope.
(A) Personnel decisions – Lay-offs and mergers
(B) Economic decisions – Methods of manufacturing and automation
(C) Social decisions – Questions affecting work rules and conduct
(D) Personnel decisions – Grievance settlement and work distribution

Oct/Nov 2025

21. Read the following scenario and answer the question that follows:
In a textile factory, the management presents three different safety equipment options to the joint council. The council evaluates the options and jointly selects one alternative, which is then accepted for implementation.
Which level of participation is this?
(A) Informative participation
(B) Consultative participation
(C) Administrative participation
(D) Associative participation

May/June 2012

22. Identify the incorrect statement concerning the concept of workers' participation in management.
(A) It is considered as a crystallization of the notion of industrial democracy.
(B) It implies that workers have the final authority to override managerial decisions.
(C) It reflects the employer's desire to bind employees into a team working toward a common objective.
(D) It acts as a forum for formal and informal communication and consultation.

Oct/Nov 2014

23. Consider the following statements regarding the early implementation of Workers' Participation in Management (WPM) in India:
I. The Indian Labour Conference accepted the recommendation of a working group to set up Joint Management Councils.
II. The Industrial Disputes Act, 1947 stipulated the constitution of Works Committees.
III. The practice of works committees was adopted by some steel companies at Jamshedpur at an early stage.
Which combination of statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2019

24. Which of the following is NOT a level of participation commonly identified in practice?
(A) Informative participation
(B) Associative participation
(C) Administrative participation
(D) Restrictive participation

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Oct/Nov 2006

25. Identify the correct pair.
(A) Social decisions – Recruitment and selection
(B) Economic decisions – Shutdown and mergers
(C) Personnel decisions – Hours of work and welfare measures
(D) Social decisions – Promotions and demotions

May/June 2021

26. Consider the following events regarding the evolution of workers' participation:
I. Stipulation of Works Committee under the Industrial Disputes Act.
II. Introduction of Joint Consultative Committees in manufacturing and mining units.
III. Origin of Joint Management Councils based on the Industrial Policy Resolution.
IV. Reintroduction of the Joint Consultative Committees scheme by the government.
Which of the following represents the correct chronological order?
(A) I, III, II, IV
(B) III, I, IV, II
(C) I, II, III, IV
(D) III, II, I, IV

Oct/Nov 2010

27. Consider the following statements regarding the benefits of Workers' Participation in Management (WPM):
I. The level of resistance to change comes down.
II. It ensures free communication and the channel for upward communication opens up.
III. Joint decision-making increases conflicting

prestigious projects as a corrective measure is not a recommended solution. Doing so might reward negative behavior or jeopardize critical goals. Instead, the focus should be on addressing the root cause of their attitude and enforcing rules.

70. (C) Avoiding
The avoiding style is most appropriate when an issue is trivial or when the potential damage of pursuing the conflict outweighs the benefits of resolution. It is also useful when an individual has low concern for the outcome and wants to postpone the discussion to a more appropriate time. This style helps in conserving energy for more critical organizational challenges.

71. (D) I, II, and III
Low morale levels can be addressed through direct communication and genuine appreciation of staff efforts. Managers should revisit HR policies to ensure they respond to employee aspirations and foster a supportive culture. Crucially, avoiding unfulfillable promises is essential to maintain trust. By recognizing and rewarding performance, organizations can rebuild engagement and motivation among employees during difficult organizational times.

72. (A) P-4, Q-1, R-2, S-3
Different conflict situations require specific management styles. Collaboration is best for complete resolutions that eliminate lingering negative feelings. Compromising is used when the outcome is not worth the energy for full collaboration. Accommodation is appropriate when preserving a relationship is the priority. Finally, avoidance is recommended for trivial issues that are better postponed until a more suitable time.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Leaders often face dilemmas and paradoxes during periods of crisis. These paradoxical forces create a dynamic environment that, while potentially threatening, can also be exciting and positive. Recognizing that dilemmas are an inherent part of leadership allows managers to navigate complex choices with a more balanced perspective, turning discomfort into an opportunity for organizational growth and innovation.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Effective communication is vital for releasing organizational tension and preventing conflict. Many workplace problems originate from defective communication systems or ambiguous role definitions. By improving communication channels and encouraging upward feedback, management can clarify expectations and reduce the frustration caused by misunderstandings. This proactive approach helps in identifying issues early and maintaining a harmonious environment through daily transparency.

75. (C) Both I and II
Managing time effectively involves proactive planning and monitoring. Superiors should set internal deadlines in advance of actual submission dates to provide a safety margin for review. Additionally, actively tracking progress and sending friendly reminders helps keep the team on schedule. These actions ensure that projects are completed on time while maintaining work quality and reducing the associated stress.

76. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The competing style of conflict management is a power-oriented mode where winning is equated with status. It involves a win-lose proposition where an individual uses their authority to defend a position they believe is correct, often at the expense of others. This style is assertive and uncooperative, prioritized when quick, decisive action is necessary for organizational success.

77. (D) Avoid organizing workshops with external reputed behavioural experts as they disrupt internal culture.
Improving teamwork requires team-building exercises, clear role justification, and honest interactions to build trust. Organizations should not avoid external experts; rather, workshops with reputed behavioral specialists can provide fresh perspectives and proven techniques for enhancing collaboration. Rejecting such external support limits the team's ability to learn modern

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surface, conflict allows parties to identify the root causes of their disagreement. This clarity is a necessary precursor to finding effective solutions and improving long-term organizational stability.

61. (C) When an issue is vital to the long term success of the organization.
Accommodating is recommended when preserving relationships is vital or when one party has a clearly better solution. However, it is not appropriate when an issue is vital to the long-term success of the organization. In such cases, giving in for the sake of peace may lead to poor strategic decisions. Instead, more assertive styles like competing or collaborating are preferred.

62. (D) I, II, III, IV, and V
To address decreased performance levels, management should implement several supportive solutions. These include regular performance monitoring, setting achievable work targets, and providing constructive feedback. Periodic private meetings for review are also effective. By analyzing the workflow and root causes of problems, managers can offer the necessary resources and guidance to help employees improve their output and organizational alignment.

63. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The avoidance approach to conflict is often driven by a sense of hopelessness. It manifests as withdrawing from threatening situations or sidetracking issues diplomatically. Because this style fails to address the underlying interests of any party, it typically results in high levels of frustration. While it may temporarily prevent immediate confrontation, the lack of resolution often causes conflict to persist.

64. (C) Poor Teamwork
Poor teamwork often results from management's failure to communicate the rationale behind task assignments. When subordinates do not understand how their work contributes to larger goals, skepticism and mistrust can grow. Effective teamwork requires clear justification for roles and open interaction to build trust. Without these, collaboration breaks down, and the team fails to operate as a cohesive unit.

65. (D) I, II, and III
Solving organizational problems and managing conflicts effectively requires three fundamental steps. First, clear communication ensures that all parties understand the issues. Second, a shared perception of goals and targets aligns the team's efforts. Third, adequate role clarification prevents overlapping responsibilities and ambiguity. Together, these elements create a structured environment where disputes can be addressed rationally through mutual understanding.

66. (A) Poor Time Management
Poor time management is a common dilemma that can be mitigated through proactive scheduling. By setting internal deadlines well before the actual submission date, managers create a buffer for review and adjustments. This strategy allows for corrective action if team members struggle, ensuring that the final output meets quality standards and client expectations without the stress of last-minute rushes.

67. (B) I, II, and III only
The accommodating approach focuses on appeasing others to protect interpersonal relationships at all costs. It is characterized by a "yield-lose" posture, where one party allows the other to win to maintain peace. This style is unassertive and highly cooperative. Conversely, using power to win is a trait of the competing style, which is different from the submissiveness of accommodation.

68. (C) Both I and II
A dilemma is a decision-making scenario characterized by pressure toward two possible solutions, each carrying potential drawbacks or negative consequences. Often viewed as an inevitable evil, a dilemma forces leaders to choose between competing priorities where no single option is perfect. Understanding dilemmas helps managers recognize the complexity of balancing organizational needs with individual and social outcomes in workplaces.

69. (A) Assigning them the most prestigious projects immediately to force an attitude adjustment.
Managing problem employees involves counseling, mediation, and clear communication about the consequences of misconduct. However, assigning such individuals to the most

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when concerns are too important for compromise. Compromising is suitable for quick, temporary settlements. Accommodating is best when one party has a clearly superior solution. Competing is justified when quick, decisive action is vital, such as during emergencies or when critical interests are at stake.

87. (B) Performance Pressure
Performance pressure often arises during critical project phases, such as software rollouts. To manage this dilemma, leaders should focus on maintaining a calm environment and normalizing hurdles. By encouraging the team and focusing on solutions rather than blame, managers help employees navigate immense strain. This approach prevents burnout and ensures that the team remains productive while addressing challenges.

88. (B) Competing
In emergency situations where safety is at risk, the competing style of conflict management is justified. This power-oriented approach allows a manager to take quick, decisive action to prevent harm, even if it means overriding the opinions of others. Prioritizing safety over meeting batch targets illustrates a scenario where assertiveness is necessary to protect lives and follow protocols in organizations.

89. (B) Problem employees
Dealing with problem employees is a common management dilemma involving negative attitudes or code of conduct violations. The solution includes direct communication and counseling to explain the consequences of such behavior. By emphatically communicating a no-tolerance policy regarding disrespect or bullying, managers address the root of the problem while setting clear boundaries for acceptable professional conduct within organizations.

90. (A) Situations with two competing extremes where actors face an "either... or..." choice with drawbacks.
A management dilemma is defined as a situation featuring two competing extremes where an individual must make an "either... or..." choice. Each available option carries its own set of drawbacks and negative externalities. This complexity means there is no simple, perfect solution, and the decision-maker must weigh the potential consequences of each path before taking an official stand.

91. (D) I, II, III, IV, and V
To attract high talent, organizations should follow a structured selection process. This starts with detailed job descriptions and skill requirements in advertisements. Shortlisting should strictly match these criteria. Including outside experts on interview panels provides objective evaluation. Finally, choosing the appropriate selection method and asking the right questions ensures that the organization hires candidates who are best fits.

92. (C) Reassign or relocate one or more of the individuals.
When interpersonal or group conflicts become entirely intractable despite mediation and brainstorming, structural changes may be required. One of the most effective ultimate solutions is to reassign or relocate one or more of the individuals involved. By physically or administratively separating the parties, management can stop the immediate friction and allow the work environment to return to peace.

93. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Maintaining employee trust is critical for morale, especially during difficult periods. Managers must avoid making promises they cannot fulfill, as unfulfilled assertions lead to significant disappointment and a drop in trust. When staff feel misled, their morale further declines, which can damage the long-term relationship between the workforce and management. Honesty and transparency are essential for sustainable leadership.

94. (C) Not able to attract high talents
When an organization struggles to fill specialized roles, it may need to refine its recruitment strategy. By including external subject matter experts in the interview process and detailing specific technical requirements in job advertisements, the firm improves its evaluation accuracy. This precise approach to selection and evaluation directly addresses the dilemma of being unable to attract high-level talent today.

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would contribute to the overall growth of the company.

Oct/Nov 2021

7. What does Worker Participation primarily imply?
(A) Transferring complete decision-making authority to the workers in the organisation
(B) Arrangements designed to involve workers in the enterprise's decision-making process
(C) Assigning managerial and supervisory staff to work alongside lower-level workers
(D) Limiting management decisions strictly to welfare and personnel matters

May/June 2009

8. Which of the following groups of managerial decisions affect the workers of an industrial establishment?
(A) Strategic, Operational, and Tactical decisions
(B) Economic, Personnel, and Social decisions
(C) Financial, Marketing, and Production decisions
(D) Consultative, Administrative, and Decisive decisions

Oct/Nov 2015

9. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): An ideal situation of joint decision-making with shared responsibilities is seldom a reality.
Reason (R): It requires a level of understanding where there is an atmosphere of openness, mutual trust, and no conflicting groups of workers or trade unions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

10. Consider the following statements:
I. In a literal sense, Workers' Participation means allowing workers to take decisions in matters affecting them and their organisation.
II. The concept of Workers' Participation has a precise and universally accepted meaning among all interest groups.
Which of the following is correct?
(A) Statement I is correct, and Statement II is incorrect.
(B) Statement II is correct, and Statement I is incorrect.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

Oct/Nov 2019

11. Read the following scenario and answer the question that follows:
An automobile plant holds quarterly meetings where management distributes copies of the quarterly financial results and future production targets to the workers' representatives. No suggestions are sought.
What level of participation is being practiced?
(A) Decisive participation
(B) Associative participation
(C) Administrative participation
(D) Informative participation

May/June 2014

12. Identify the correct statement regarding the different interpretations of workers' participation.
(A) Management interprets participation as an association of labour with full authority in decision-making.
(B) Employees take participation as equivalent to joint consultation prior to all final decision-making.
(C) Experts regard participation as labour association without final authority or responsibility.
(D) Trade unions view participation as a tool for exclusively handling collective bargaining agreements.

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Oct/Nov 2007

13. Match the category of decisions in List I with the correct examples in List II.
List I: (Category of Decisions)
P. Economic decisions
Q. Personnel decisions
R. Social decisions

CHAPTER 18
Workers' Participation in Management

Oct/Nov 2023

1. Which of the following is NOT an interpretation or characteristic of Workers' Participation in Management (WPM)?
(A) A forum where workers are kept informed about the affairs of the organisation
(B) A mechanism for workers to advance opinions and suggestions to contribute to managerial decisions
(C) An expression of binding employees into a team working toward a common objective
(D) A process of giving workers absolute veto power over economic decisions

May/June 2005

2. Which of the following best defines participation?
(A) A statutory requirement to involve workers in top management decisions through the establishment of mandatory works committees.
(B) A process of sharing financial profits equally among management and lower ranks
(C) Mental and emotional involvement in a group situation encouraging contribution to goals and shared responsibility.
(D) An agreement reached through collective bargaining regarding the long-term formulation of employment contracts.

Oct/Nov 2010

3. In which year did the Indian Labour Conference accept the recommendation to set up Joint Management Councils?
(A) 1947
(B) 1956
(C) 1957-58
(D) 1965

May/June 2022

4. Consider the following statements regarding the levels of participation:
I. In informative participation, information sharing primarily concerns matters like the balance sheet and production schedules.
II. In associative participation, the role of the joint council is strictly limited to an advisory body.
III. In administrative participation, the council has no choice but to implement a single alternative provided by management.
IV. In decisive participation, decisions on welfare and production are taken jointly.
Which combination is correct?
(A) I and II only
(B) I and IV only
(C) II and III only
(D) III and IV only

Oct/Nov 2017

5. Read the following scenario and answer the question that follows:
A manufacturing enterprise regularly shares information with its workforce and holds joint consultations, but the ultimate decision-making power remains strictly with the top executives. The employees demand that they be given equal voting rights on key decisions.
This scenario illustrates a divergence between:
(A) Experts' interpretation as final authority and management's interpretation as co-decisions
(B) Management's interpretation as consultation and employees' interpretation as co-decisions
(C) Informative participation and administrative participation
(D) Social decisions and personnel decisions

May/June 2012

6. Identify the incorrect statement regarding the benefits of Workers' Participation in Management.
(A) Willingness to accept change helps the organisation adopt new methods easily.
(B) It decreases the overall efficiency of employees due to time spent in councils.
(C) It helps in eliminating industrial disputes.
(D) It leads to workers seeing how their actions

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interpersonal skills and resolve deep-seated internal conflicts effectively within organizations.

78. (D) When the outcome is not crucial and you are losing time.
The competing style is recommended for vital organizational issues or when quick, decisive action is needed. It is also used when the relationship is less important than the outcome. However, it is not recommended when the outcome is trivial and time is being lost; in such cases, avoiding or compromising would be more efficient and less damaging to relationships.

79. (B) To invoke disciplinary rules as a last resort, treated as an exception but not as a rule.
When dealing with decreased performance, management should first exhaust all supportive measures like counseling and performance monitoring. However, if there is still no improvement despite these best efforts, invoking disciplinary rules becomes necessary. This ultimate action should be treated as a last resort and an exception, rather than a standard rule, to address persistent failures in meeting standards.

80. (D) The prevailing organizational leadership culture, values, norms, and shared management practices.
When managers face complex dilemmas, their choices are largely shaped by the prevailing organizational leadership culture. The shared values, norms, and management practices of the establishment provide the framework for decision-making. These cultural elements determine how a manager balances competing priorities and whether they take tough stands or seek compromise, reflecting the organization's overall approach to conflict resolution.

81. (C) Management should evolve transparent policies that differentiate and compensate high performers suitably.
Retaining high performers requires transparent and differentiated policies. Management should evolve career advancement paths and incentive schemes that specifically reward exceptional contributions. While treating all employees fairly is important, failing to recognize high performance can lead to the loss of top talent. Transparent appreciation and suitable compensation ensure that high performers feel valued and remain committed to goals.

82. (A) When collaborating does not work out and the conflict cannot otherwise be resolved.
The compromising style is recommended as a backup approach when collaboration fails to produce a resolution. It provides a practical way to settle disputes when parties cannot reach a full win-win agreement but still need to move forward. By finding a middle ground, compromising allows for a quick, temporary, or permanent settlement that keeps operations running without further conflict.

83. (D) Accommodating
In the provided scenario, Manager B chooses to accept Manager A's solution despite having a different view. This decision is driven by the realization that the issue is more important to Manager A and by a desire to build a better relationship. By giving in and allowing the other party to win, Manager B effectively uses the accommodating style of conflict management.

84. (A) P-1, Q-2, R-3, S-4
Management dilemmas can be addressed through targeted solutions. Poor teamwork is improved by reframing team composition and project purpose. Performance pressure is managed through robust work-life balance policies. Poor time management is mitigated by detailed scheduling and early deadlines. Finally, retaining high performers involves offering clear career paths and high-end training programs to ensure long-term professional growth.

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85. (C) Management Dilemma
A management dilemma involves choosing between competing options that both present significant challenges. For instance, deciding between terminating employees to save costs or maintaining staff despite a financial crisis represents such a situation. This "horns of a dilemma" scenario occurs when any choice made will have potential drawbacks, requiring leaders to navigate complex trade-offs between financial survival and humans.

86. (A) P-3, Q-4, R-1, S-2
Selecting the right conflict style depends on the situation's specific needs. Collaborating is used

S. Decisive participation

List II: (Examples/Features)

1. Individual worker's safety, health, and sanitation
2. Decisions taken jointly on matters relating to production and welfare
3. Automation, lay-offs, and mergers
4. Promotions, transfers, and grievance settlement

(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

May/June 2020

14. Read the following scenario and answer the question that follows:

The HR manager of a manufacturing firm aims to reduce daily friction by making employees feel that the firm's success directly translates to their success, thereby aligning their objectives.

This approach aligns with which core concept?

(A) Collective Bargaining
(B) Employee Stock Option Plans
(C) Workers' Participation in Management
(D) Industrial Disputes Act, 1947

Oct/Nov 2024

15. Identify the correct statement regarding the psychological impact of participation.

(A) Participation makes workers view decisions as 'management-owned' and strictly top-down.
(B) Participation drastically increases the level of confrontation due to diverse opinions.
(C) It limits upward communication to avoid distortion of already implemented top-level decisions.
(D) Workers show enthusiasm because of the feeling of 'ownership' over decisions made.

May/June 2016

16. Why do most conflicts and grievances arise between management and workers?

(A) Due to the perceived conflict of interest basically between the two groups
(B) Due to the lack of adequate financial compensation provided by the employer
(C) Due to frequent intervention by outside political entities and trade unions
(D) Due to an excess of manpower deployed for daily operational tasks

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Oct/Nov 2009

17. Match the level of participation in List I with its description in List II.

List I: (Levels of Participation)

P. Consultative participation
Q. Associative participation
R. Administrative participation
S. Decisive participation

List II: (Descriptions)

1. Decisions are taken jointly on matters relating to production, welfare, etc.
2. A joint council considers matters like welfare programmes, but decision-making power rests with management.
3. The council is given alternatives to select from for implementation, though it does not participate in the decision-making process.
4. The council's recommendations in defined areas are implemented by the management.

(A) P-2, Q-4, R-3, S-1
(B) P-1, Q-2, R-4, S-3
(C) P-4, Q-3, R-1, S-2
(D) P-3, Q-1, R-2, S-4

May/June 2023

18. What is the most appropriate reason for a large amount of energy getting dissipated in organisations?

(A) Resolving grievances and conflicts, and maintaining harmony
(B) Dealing with the complex legal compliance of the Industrial Disputes Act, 1947
(C) Training workmen for their appointment as worker directors on the Board
(D) Evaluating the financial implications of employee stock option plans

Oct/Nov 2018

19. What distinguishes "participation" from "consent"?

(A) Consenters actively take decisions, whereas participants simply approve them.
(B) Participation refers exclusively to financial matters, while consent refers to social matters.
(C) Consent requires formal documentation, while participation is always informal.
(D) Consenters do not participate; they simply approve something already decided.

95. (A) Written communications should be extensively complex to ensure formal authority is maintained across the organization.
Effective communication requires clarity, simplicity, and timeliness. Written communications should be straightforward and easy to understand, rather than excessively complex. Complexity often leads to misunderstandings and can hinder the flow of information across the organization. By ensuring that messages are reachable and free from distortions, management can resolve the dilemma of miscommunication and build a transparent culture.

96. (B) Conflicts among individual employees and/or groups by focusing on mutual problem-solving methods.
Conflicts among individual employees are best managed through objective listening and mutual problem-solving. By meeting individually with each party and allowing them to share their perspective, a manager can identify the root cause of the friction. Encouraging the parties to brainstorm their own solutions shifts the focus from blame to collaboration, effectively resolving interpersonal disputes and restoring team harmony.

97. (A) P-1, Q-2, R-3, S-4
Different management dilemmas require specific strategic actions. To retain high performers, organizations must openly appreciate their value. Handling problem employees involves emphatically communicating no-tolerance policies. For decreased performance, a periodic analysis of workflow is necessary. Finally, resolving group conflicts requires objective, individual meetings with all parties involved to understand every side of the story before attempting resolution.

98. (D) I, II, III, and IV
To overcome communication barriers, organizations should revisit their channels to ensure they are seamless and clear. Implementing modern tools like management or employee blogs can facilitate timely updates. It is also essential that all written communication remains simple and easy to understand. By removing distortions and defects from the communication mode, management ensures that messages are accurately received.

99. (A) P-1, Q-2, R-3, S-4
Management dilemmas can be paired with effective solutions. Lack of communication is addressed via blogs for timely updates. Attracting talent requires detailed job advertisements with clear skill requirements. Low morale is improved by consistently recognizing and rewarding good performance. Finally, resolving group conflicts involves emphasizing that the goal is solving the problem rather than deciding who is right.

100. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Organizations should identify and address dilemmas as early as possible to prevent them from escalating. Avoiding these complex situations often leads to larger problems in the future. By analyzing the underlying issues early, management can prepare for potential complications and develop proactive strategies. This approach ensures organizational stability and demonstrates a leadership commitment to transparency and effective daily problem-solving.

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situations, thereby revealing hidden disputes.
IV. It prevents outside intervention and misleading by outsiders.
V. It promotes an atmosphere of creativity among rank and file.
Which combination correctly lists the visible benefits?
(A) I, II, III, and V
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2005

28. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Conflict of interests between management and workers can be minimized if a feeling is created that organizational goals are their own goals.
Reason (R): This feeling can be reinforced by what is generally termed as workers' association or participation in management.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2022

29. Consider the following statements:
I. In a true sense, participation should mean joint decision-making with entailing responsibilities being shared jointly.
II. Participation is essentially a social process that makes an individual speak in terms of 'I' but not 'we'.
Which of the following is correct?
(A) Statement I is correct, and Statement II is incorrect.
(B) Statement II is correct, and Statement I is incorrect.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

May/June 2018

30. Match the interest groups in List I with their respective interpretations of participation in List II.
List I: (Interest Groups)
P. Management
Q. Employees
R. Experts
S. Organisation
List II: (Interpretations)
1. Equivalent to co-decisions
2. A win-win situation where important decisions are based on consensus
3. Consultation prior to decision-making
4. Association of labour without final authority or responsibility
(A) P-1, Q-4, R-2, S-3
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2016

31. Under the Industrial Disputes Act, 1947, Works Committees are to be constituted in units employing how many workmen?
(A) 20 or more workmen
(B) 50 or more workmen
(C) 100 or more workmen
(D) 500 or more workmen

May/June 2014

32. Consider the following statements about Joint Management Councils (JMCs):
I. JMCs are a voluntary attempt to promote workers' participation in management.
II. JMCs are established especially at the plant level in units employing 100 or more workmen.
III. The total number of members in the council is not to exceed 12.
Which combination of statements is correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

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Oct/Nov 2007

33. Consider the following statements about how Workers' Participation in Management (WPM) manages change and conflict:
I. Willingness to accept change helps the organisation adopt new methods easily.

looking into productivity norms for the entire industrial unit.
(D) A group of seven to ten people meeting regularly to analyse and solve quality-related problems.

May/June 2013

84. Read the following scenario and answer the question that follows:
Mr. X is appointed as the workman director of a company. In a board meeting, he faces a difficult choice between approving a modernization plan essential for company survival and rejecting it because it involves laying off some union members. He ultimately abstains from voting, restricting his participation.
What does this case illustrate?
(A) The success of administrative participation in streamlining modernization plans during organizational change.
(B) The efficiency of collective bargaining in avoiding lay-offs
(C) The conflict between different roles experienced by worker representatives on the Board.
(D) Management's failure to share total information

Oct/Nov 2021

85. What is a primary reason why many software companies have introduced Employee Stock Option Plans (ESOPs)?
(A) To comply with the Industrial Disputes Act, 1947
(B) To substitute the basic salary structure of their employees
(C) To arrest the growing attrition rate which is high in the software industry
(D) To ensure union representation on the Board of Directors

May/June 2024

86. Joint councils perform several functions at the enterprise level. Which of the following is an EXCEPTION, as it is primarily the function of a shop council?
(A) Looking into matters which remained unsolved at lower levels
(B) Taking corrective steps for absenteeism at the department level
(C) Dealing with productivity norms for the unit as a whole
(D) Handling overall efficiency levels for the unit

Oct/Nov 2008

87. Which of the following is NOT listed as a common problem faced by the board-level participation model in public sector banks?
(A) The model being a single tier model
(B) The total absence of officer representation on the Board
(C) Multiplicity of unions leading to contentious appointments
(D) Large branch networks making shop-floor participation difficult

May/June 2006

88. In which country did the concept of Quality Circles originate in the early 1960s?
(A) United States of America
(B) Japan
(C) Germany
(D) United Kingdom

Oct/Nov 2017

89. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Experiments in workers' participation have often not been fully successful.
Reason (R): Trade unions have inhibitions that their importance is being eroded by adopting these methods.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

90. Identify the correct statement regarding the implementation of Quality Circles in Indian companies.
(A) Through QCs, workers solve technical problems while engaging in tasks outside their daily routine.
(B) Large manufacturing companies in the private sector have never attempted to implement Quality Circles.

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(B) Banks nationalized in 1980 – Banking Companies Act, 1970
(C) Banks nationalized in 1980 – Industrial Disputes Act, 1947
(D) Banks nationalized in 1969 – Nationalized Banks Scheme, 1970

May/June 2017

40. Identify the correct statement regarding the constitution of Works Committees.
(A) The total number of members in the Works Committee should not be more than 12.
(B) Workers' representatives are chosen independently without consulting registered trade unions.
(C) The total number of members in the Works Committee should not be more than 20.
(D) Works committees are formed primarily for the purpose of collective bargaining.

Oct/Nov 2005

41. Match the tier of the Joint Consultative Committee in List I to its characteristics in List II.
List I: (Tier/Characteristic)
P. Shop Council
Q. Joint Council
R. Representation in Joint Council
S. Motivation for implementation initially
List II: (Descriptions)
1. Formed for the unit as a whole to deal with productivity norms
2. Constituted for each department for increase in production
3. Compulsion from the government
4. Restricted to 12 members
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

May/June 2020

42. Which of the following is the most appropriate description of participation as opposed to getting consent?
(A) Getting consent means individuals speak in terms of "we", whereas participation relies on "I" as the primary form of identity.
(B) Consent requires deep emotional involvement in a group situation, while participation is purely an administrative formality.
(C) Participation is a social process involving shared responsibilities, unlike consent which is just approval.
(D) Participation is strictly limited to consultative forums, whereas consent is a high-level decisive mechanism.

Oct/Nov 2015

43. What is the most appropriate reason why Joint Management Councils often do not receive adequate support?
(A) They are authorized to supplant unions in collective bargaining.
(B) They basically operate only at a level of consultative participation stage.
(C) They mandate the complete handover of administrative responsibilities to workers.
(D) They consist exclusively of workers with no management representation.

May/June 2013

44. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): An evaluation of works committees indicates that they are often not very effective.
Reason (R): They function essentially in an advisory capacity and face challenges from inter-union rivalry.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

45. How is the structure of Joint Consultative Committees defined?
(A) A single-tier model consisting only of a board of directors
(B) A multi-tier model including works committees, quality circles, and direct board-level representation.
(C) A two-tier model consisting of shop councils at the shop-floor and joint councils at the enterprise.
(D) An informal grouping of 7 to 10 employees meeting randomly

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May/June 2024

46. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Participation makes workers more willing to take initiative and come out with cost-saving suggestions.
Reason (R): Participation ensures optimum utilisation of resources because of the feeling of "ownership" of the decision made.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

47. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Workers' participation on the Board often does not become effective in the true sense.
Reason (R): The participation ensured at the highest level is often not supported at the shop-floor level in many organisations.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

48. What is a primary limitation of Works Committees?
(A) They possess absolute power to supersede trade unions in collective bargaining.
(B) Their scope is limited to relationship management and they function essentially in an advisory capacity.
(C) They are mandated to exclusively handle economic decisions such as corporate mergers and factory shutdowns.
(D) They consist of unequal numbers of representatives from workmen and management.

Oct/Nov 2017

49. Read the following scenario and answer the question that follows:
A manufacturing plant with 600 workers voluntarily sets up a body to function as a consultative forum at the policy level. It comprises 6 management representatives and 6 workers' representatives.
What is this body called?
(A) Joint Management Council
(B) Joint Consultative Committee
(C) Works Committee
(D) Quality Circle

May/June 2008

50. Arrange the following requirements or thresholds based on their application scale in chronological order of numbers (from lowest to highest numerical value):
I. Maximum total members in Joint Management Council
II. Maximum total members in Works Committee
III. Workmen required to mandate a Works Committee
IV. Workmen required to mandate a Joint Management Council
Which of the following represents the correct order?
(A) I, II, III, IV
(B) II, I, III, IV
(C) I, III, II, IV
(D) II, III, I, IV

Oct/Nov 2013

51. Identify the incorrect statement comparing shop councils and joint councils.
(A) Shop councils work for an increase in production and elimination of wastage.
(B) Joint councils look into matters which remained unsolved at lower levels.
(C) Shop councils identify areas of low productivity and absenteeism.
(D) Joint councils are constituted for each department with equal representation.

May/June 2015

52. How is "Decisive participation" defined?
(A) Sharing of production schedules and balance sheets with workers
(B) An advisory body whose recommendations are strictly considered but not always

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implemented
(C) A mechanism providing alternatives to select from for implementation
(D) A system where decisions are taken jointly on matters relating to production, welfare, etc.

Oct/Nov 2012

53. All of the following are reasons for Works Committees potentially being ineffective EXCEPT:
(A) They function essentially in an advisory capacity.
(B) There is a presence of inter-union rivalry.
(C) They are given final authoritative power to dictate management's economic decisions.
(D) Employees perceive them to be indirectly conflicting with the objectives of trade unions.

May/June 2011

54. What is a significant controversy related to the appointment of a workmen director on the Board?
(A) The director is prohibited from attending board meetings alongside other directors.
(B) The central government strictly appoints representatives from the minority union to ensure alternative perspectives are heard.
(C) Multiplicity of unions creates challenges regarding the appointment and membership verification process.
(D) The scheme mandates that the worker director must formally resign from the trade union upon appointment.

Oct/Nov 2020

55. In which policy document do Joint Management Councils have their origin?
(A) Industrial Policy Resolution in 1956
(B) Industrial Disputes Act, 1947
(C) Banking Companies Act, 1970
(D) Nationalized Banks Scheme, 1980

May/June 2022

56. Consider the following statements about the categorization of managerial decisions:
I. Mergers and shutdowns are classified under economic decisions.
II. Work distribution and transfers fall under social decisions.
III. Hours of work and noise control are categorized as social decisions.
IV. Recruitment and selection are part of personnel decisions.
Which combination represents the correct categorization?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

Oct/Nov 2023

57. Read the following scenario and answer the question that follows:
In a public sector bank, Union A claims it is the majority union and nominates a worker director. Union B immediately challenges Union A's membership count and demands a reverification, escalating the issue to a legal dispute.
This scenario illustrates which systemic challenge?
(A) The complications caused by the multiplicity of unions
(B) The limitations of collective bargaining
(C) The ineffectiveness of Joint Consultative Committees
(D) The failure of Employee Stock Option Plans

May/June 2016

58. Identify the incorrect statement regarding Works Committees.
(A) They are entitled to supplant or supersede the union for the purpose of collective bargaining.
(B) They are intended to smooth away friction between workers and management at the shop floor.
(C) They are constituted to promote measures of amity and good relations.
(D) They comment upon matters of common interest and endeavour to compose material difference of opinion.

Oct/Nov 2009

59. Consider the following statements regarding Workers' Participation on the Board:
I. A representative of the union of workmen is appointed as a worker director on the Board.
II. This form of participation was tried mainly in private sector undertakings in the mid-1960s.
III. The workmen director enjoys the same kind of rights as any other director on the Board.

NODIA

II. Upward communication helps in reducing the distortion or failure of communication.
III. Joint decision-making reduces the productivity of the unit due to delayed resolutions.

Which combination of statements is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2025

34. Consider the following statements regarding the appointment of a workmen director in nationalized banks:
I. It is governed by a Scheme made by the Central Government.
II. The Scheme exercises powers conferred by Section 9 of the Banking Companies Act, 1970.
III. The representative of the minority union normally gets this appointment.
IV. The workmen director attends all meetings and has the same rights as other directors.
V. The process occasionally leads to matters being referred to court for adjudication.

Which combination lists the correct statements?
(A) I, II, III, and IV
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

Oct/Nov 2019

35. Consider the following statements:
I. The scope of works committees is limited only in the area of relationship management.
II. Works committees are considered the first step towards a method of workers' participation.

Which of the following is correct?
(A) Statement I is correct, and Statement II is incorrect.
(B) Statement II is correct, and Statement I is incorrect.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

May/June 2009

36. Identify the correct statement regarding Joint Consultative Committees.
(A) The scheme was initially government-driven and subsequently reintroduced in 1984.
(B) The total representation in joint councils is strictly restricted to exactly 20 members per unit.
(C) The scheme was first introduced by the government in 1965.
(D) Shop councils deal with productivity norms for the unit as a whole.

Oct/Nov 2011

37. Read the following scenario and answer the question that follows:
In a chemical manufacturing unit, a joint council assesses safety procedures and makes formal recommendations. According to company policy, these specific recommendations in the defined area of safety are mandatorily implemented by the management without further alteration.
What level of participation does this represent?
(A) Associative participation
(B) Consultative participation
(C) Informative participation
(D) Administrative participation

May/June 2010

38. Match the committee or council in List I with its respective statutory requirement or threshold in List II.
List I: (Committee or Council)
P. Works Committee
Q. Joint Management Council
R. Quality Circle
S. Joint Consultative Committees (First stage)
List II: (Statutory Requirements/Thresholds)
1. Units employing 500 or more workmen
2. Manufacturing and mining units employing 500 or more workers
3. Seven to ten people
4. Units employing 100 or more workmen
(A) P-1, Q-2, R-4, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-4, Q-1, R-3, S-2

Oct/Nov 2024

39. Identify the correct pair matching the bank nationalization context to the corresponding scheme for appointing workmen directors.
(A) Banks nationalized in 1969 – Nationalized Banks Scheme, 1980

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(C) P-4, Q-2, R-1, S-3
(D) P-2, Q-4, R-3, S-1

May/June 2021

66. Consider the following statements about the banking industry's experience with Workers' Participation in Management (WPM):
I. A popular method of WPM in banks is the collective bargaining process through periodical joint consultative meetings.
II. During Joint Talks, the participation of workers often takes place in the true sense.
III. 'Employee Suggestion Schemes' in banks mostly solicit suggestions without truly aiding in the WPM theme.
Which combination is correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2010

67. Consider the following statements:
I. The two-tier model of joint consultative committees addresses the gap noticed in the system of workers' participation on the Board.
II. Participation at the Board level ensures strong synergy that easily percolates down to the shop-floor.
Which of the following is correct?
(A) Statement I is correct, and Statement II is incorrect.
(B) Statement II is correct, and Statement I is incorrect.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

May/June 2005

68. Read the following scenario and answer the question that follows:
Eight workers in the packaging department meet every Friday to use problem-solving techniques on defect rates. After two years, the meetings stop because management fails to implement their solutions, and the union complains that workers are being overburdened.
What concept does this scenario depict?
(A) The success of a Joint Management Council
(B) The life cycle and disadvantages of Quality Circles
(C) The process of Collective Bargaining
(D) An ineffective Suggestion Scheme

Oct/Nov 2022

69. Consider the following statements regarding the dilemma of representatives:
I. A representative on the Board must act as a trade union leader as well as a Director taking a broader perspective.
II. Experience shows that representatives easily overcome this dilemma, leading to broad-based decision-making.
Which of the following is correct?
(A) Statement I is correct, and Statement II is incorrect.
(B) Statement II is correct, and Statement I is incorrect.
(C) Both Statement I and Statement II are correct.
(D) Both Statement I and Statement II are incorrect.

May/June 2018

70. Read the following scenario and answer the question that follows:
An employee on the assembly line proposes a process simplification that drastically cuts down paper-work and inspection time. Management accepts the idea and awards the employee a cash prize proportional to the cost savings achieved.
This reflects the successful implementation of:
(A) Employee Stock Option Plans
(B) Quality Circles
(C) Suggestion Schemes
(D) Collective Bargaining

Oct/Nov 2016

71. Consider the following aspects of Workers' Participation in Management (WPM) in the banking sector:
I. One director is nominated by the government from the workmen union.
II. Membership verification is insisted upon through the Regional Labour Commissioner in contentious cases.
III. Large networks of public sector banks can make branch-level participation difficult.
IV. The scheme includes nomination of a representative of officers on the Board.
V. Employee Suggestion Schemes in banks have successfully established true worker

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IV. Officers' representatives are also appointed on the Board of Directors with a status similar to any other director.

Which combination of statements is correct?

(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

May/June 2023

60. Read the following scenario and answer the question that follows:

A factory employing 150 workmen sets up a committee with equal management and worker representatives. The committee handles day-to-day shop floor friction but cannot engage in collective bargaining.

Which method of participation is being utilized?

(A) Joint Management Council
(B) Works Committee
(C) Joint Consultative Committee
(D) Quality Circle

Oct/Nov 2018

61. Read the following scenario and answer the question that follows:

Representatives of the management and the workers' union sit down to discuss the conditions of service. Despite a call for mutual understanding, both sides aggressively negotiate to maximize their own advantage rather than collaborating for a shared goal.

This scenario best illustrates the reality of:

(A) Joint Management Councils
(B) Quality Circles
(C) Collective Bargaining
(D) Decisive Participation

May/June 2007

62. Read the following scenario and answer the question that follows:

A software startup grants its developers options to buy company shares at a fixed price. The developers must remain with the company for three years before they can exercise this option, by which time the market price is expected to be higher.

This mechanism is primarily utilized to:

(A) Motivate employees and reduce the attrition rate
(B) Reduce union power within the company
(C) Fulfill the mandatory requirement of forming works committees
(D) Resolve shop-floor grievances and disputes

Oct/Nov 2025

63. Read the following scenario and answer the question that follows:

An enterprise implements a model where unresolved issues concerning wastage at a departmental council are escalated to a broader council that oversees efficiency levels for the entire enterprise.

This describes the functioning of:

(A) Shop councils escalating to Joint councils
(B) Works Committees escalating to Joint Management Councils
(C) Quality Circles escalating to Board of Directors
(D) Collective Bargaining escalating to Suggestion Schemes

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May/June 2019

64. In public sector banks, how is the workman director typically chosen for the board?

(A) Nominated by the Regional Labour Commissioner from any registered union
(B) Appointed by the management based strictly on seniority
(C) Nominated by the government from the workmen union enjoying majority membership
(D) Elected through a direct secret ballot among all bank customers

Oct/Nov 2014

65. Match the form of worker participation in List I with its distinct feature in List II.

List I: (Form of Participation)

P. Collective Bargaining
Q. Suggestion Schemes
R. Quality Circles
S. ESOPs

List II: (Distinct Features)

1. Arouses and maintains interest in problems by offering rewards for ideas
2. Provides a right to purchase shares at a predetermined price
3. Based on the concept of exercising power for one party's benefit
4. Small groups meeting regularly to solve problems using analytical skills

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-3, R-2, S-4

Periodical joint consultative meetings (Joint Talks/Discussions)
(D) Employee Suggestion Schemes in banks – Results in true participation in management decision-making

May/June 2010

78. Under the Suggestion Schemes method, how are employees typically rewarded?
(A) They are promoted automatically to the board of directors.
(B) They are given a fixed annual bonus irrespective of the idea's value.
(C) Rewards are distributed equally among all members of the works committee.
(D) Rewards are given in line with the benefits derived from the accepted suggestions.

Oct/Nov 2024

79. Consider the following reasons for the failure of experimental workers' participation models:
I. Inhibitions of the trade unions regarding the erosion of their importance.
II. Management's apprehensions leading to partial rather than total information sharing.
III. Representatives on the Board successfully resolving their conflicting dual roles.
IV. Participation being restricted to specific issues.
V. Participation remaining at the level of resolving personnel and welfare issues, without reaching actual decision-making.
Which combination identifies the CORRECT reasons for failure?
(A) I, II, III, and V
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2017

80. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): Few Quality Circles survive beyond a life cycle of one to three years.
Reason (R): They often lose steam after addressing simple problems and require significant time and commitment.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

81. Consider the following statements about HR practices in Indian Banks:
I. The WPM experience in banks has been partially successful.
II. Banks continue with the model of participation at the Board level despite certain drawbacks.
III. Studies have seen no merit whatsoever in participative processes in banks.
IV. Unless the mindsets of both workmen and management are changed, the system cannot be fully successful.
Which combination of statements is correct?
(A) I, II, and IV
(B) II, III, and IV
(C) I, II, and III
(D) I, III, and IV

May/June 2020

82. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): The process of collective bargaining cannot be called worker participation in its strongest sense.
Reason (R): Collective bargaining is based on the concept of exercising power for the benefit of one party.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

83. How is a Quality Circle defined?
(A) A group of 20 members from management and workers determining wages.
(B) A statutory committee mandated by the Industrial Disputes Act, 1947, for resolving daily shop-floor friction and disputes.
(C) A council restricted to exactly 12 members

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participation in management.

Which combination identifies the CORRECT statements?

(A) I, II, III, and IV
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2014

72. Consider the following statements regarding Collective Bargaining (CB):

I. Agreements reached through CB are legally binding in all instances.
II. Management and workers may reach collective agreement regarding rules for the formulation and termination of employment contracts.
III. In practice, while bargaining, each party often tries to take advantage of the other.

Which combination is correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2007

73. Identify the incorrect statement regarding Employee Stock Option Plans (ESOPs).

(A) Employees receive the legal right to purchase company shares as a direct reward and long-term motivation tool.
(B) The aim is to give shares to employees at a discounted price compared to the market price.
(C) The scheme can be implemented in public sector undertakings whose shares are listed on major stock exchanges.
(D) Employees can exercise the right to purchase company shares immediately without waiting for any vesting period.

May/June 2025

74. Consider the following statements about Quality Circles (QCs):

I. QCs are said to provide quick, concrete, and impressive results when correctly implemented.
II. Trade unions universally support QCs as it enhances their role in the workplace.
III. QCs have a definite life cycle, typically lasting one to three years.
IV. For QCs to succeed in the long run, management needs to provide feedback on the disposition of all suggestions.

Which combination of statements is correct?

(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

Oct/Nov 2019

75. Read the following scenario and answer the question that follows:

A public sector bank operates with over 1500 branches. It has a workman director on its central board. However, branch-level employees feel completely isolated from management decisions.

This scenario highlights the difficulty of ensuring workers' participation at which level?

(A) Board level
(B) Government policy level
(C) Trade union leadership level
(D) Shop-floor level (branch level)

May/June 2009

76. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:

Assertion (A): The two-tier model of joint consultative committees appears to be more pragmatic.

Reason (R): It addresses the shop-floor level where there still remains the "we" and "they" attitude, supporting the representation at the highest level.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

77. Identify the incorrect statement regarding the implementation of Workers' Participation in Management (WPM) in the banking sector.

(A) Model of participation – Single tier model on the Board of Directors
(B) Method to resolve union membership disputes – Verification through the office of the Regional Labour Commissioner
(C) Collective bargaining process in banks –

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(C) Specific automobile divisions with multiple established Quality Circles experienced highly unfavourable and regressive results.
(D) QCs in India consist exclusively of trade union leaders.

Oct/Nov 2013

91. Match the bodies in List I with their numerical constraints in List II.
List I: (Bodies/Criteria)
P. Works Committee maximum members
Q. Joint Management Council maximum members
R. Quality Circle members
S. Typical bank branch network size where shop-floor participation is difficult
List II: (Numerical Constraints)
1. Seven to ten people
2. More than 1000
3. 20
4. 12
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-3, Q-1, R-4, S-2

May/June 2015

92. Read the following scenario and answer the question that follows:
Two competing unions in a large public sector bank are locked in a bitter dispute over which one commands the majority required to nominate the workman director.
To resolve this standoff, which authority's office is typically called upon to conduct the membership verification?
(A) The Ministry of Finance
(B) The Reserve Bank of India
(C) The Office of the Regional Labour Commissioner
(D) The Indian Banks' Association

Oct/Nov 2012

93. Consider the following statements regarding Workers' Participation in Management (WPM):
I. WPM minimizes conflict by aligning worker and organizational goals.
II. Ideal participation requires mutual trust and an atmosphere of openness.
III. Works committees have sometimes faced challenges due to inter-union rivalry.
IV. Quality Circles require management's commitment to implementing suggestions.
V. Public sector banks face difficulties in branch-level participation due to their large networks.
Which combination of statements is correct?
(A) I, II, III, IV, and V
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, III, and IV

May/June 2011

94. Read the following scenario and answer the question that follows:
A regional head of a nationalized bank observes that despite having a workman director on the central board, morale is low at the branches because clerks and tellers feel excluded from operational changes.
What fundamental change is necessary for the system to be fully successful?
(A) Complete elimination of trade unions across all branches
(B) Immediate implementation of Employee Stock Option Plans for all branch staff
(C) A change in the mindsets of both the workmen (and their unions) and the management
(D) Granting the workman director sole authority to manage branch-level operations

Oct/Nov 2020

95. Read the following scenario and answer the question that follows:
The Central Government appoints Mr. Y as an officer director on the board of a nationalized bank. Mr. Y is unsure of his status compared to the executive directors.
What is Mr. Y's status on the Board?
(A) He possesses a status similar to any other director on the Board.
(B) He acts merely as an observer without voting rights.
(C) He serves only in an advisory capacity on HR matters.
(D) He represents the government's views and has veto power over all decisions.

May/June 2022

96. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R). Mark the correct choice as:
Assertion (A): During Joint Talks in banks, the participation of workers often does not take

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place in the true sense.
Reason (R): These meetings may witness management top brass primarily intimating management goals and plans.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

97. Match the method of participation in List I with its specific reason for potential failure or ineffectiveness in List II.
List I: (Method of Participation)
P. Works Committees
Q. Joint Management Councils
R. Workers' Participation on the Board
S. Quality Circles
List II: (Reasons for Ineffectiveness)
1. Dilemma between acting as a union leader and taking a broader perspective as a director
2. Face simple problems or lose steam within one to three years
3. Function essentially in an advisory capacity with potential conflict with trade unions
4. Remain basically only at a level of consultative participation stage without adequate support
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

May/June 2016

98. Match the regulatory or policy framework in List I with its corresponding feature in List II.
List I: (Regulatory/Policy Framework)
P. Industrial Disputes Act, 1947
Q. Industrial Policy Resolution, 1956
R. Scheme under Banking Companies Act, 1970
S. Regional Labour Commissioner
List II: (Corresponding Features)
1. Provides the procedure to identify the representative union for appointing workmen director
2. Stipulated constitution of Works Committees
3. Responsible for membership verification in contentious union disputes
4. Origin of Joint Management Councils
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2009

99. Read the following scenario and answer the question that follows:
The HR department of a bank launches an 'Idea Box' scheme to solicit suggestions for improving operational procedures. Employees submit ideas, but there is no mechanism for them to jointly decide on implementation.
How is this scheme evaluated in terms of Workers' Participation in Management (WPM)?
(A) It represents decisive participation.
(B) It demonstrates associative participation where information is shared but no joint decisions are made.
(C) It serves as a perfect administrative substitute for the two-tier joint consultative committees at the plant level.
(D) It does not contribute to the theme of workers' participation in management in a real sense.

May/June 2023

100. Read the following scenario and answer the question that follows:
During a periodical joint consultative meeting at a bank, union leaders complain that they are merely called to listen to the management's plans rather than being allowed to participate in shaping them. The union threatens to walk out.
Based on an analysis of participation models, what does this situation validate?
(A) That joint consultative talks invariably result in decisive and collaborative participation for workers.
(B) That collective bargaining is no longer used in the banking sector
(C) That shop councils should strictly handle such top-management strategy disputes
(D) That through such talks, the participation of workers often fails to take place in the true sense.

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ANSWERS

1. (D) A process of giving workers absolute veto power over economic decisions
Workers' participation in management involves sharing information and consulting with the workforce, but it does not extend to giving employees absolute veto power over economic decisions. Such a characteristic would undermine the core authority and functionality of management within an enterprise. Therefore, this specific interpretation is excluded from the standard definition and practice of participative management frameworks.

2. (C) Mental and emotional involvement in a group situation encouraging contribution to goals and shared responsibility.
Participation is defined as the mental and emotional involvement of persons in a group situation. This involvement encourages individuals to contribute to group goals and share responsibility for achieving them. Unlike mere physical presence or consent, it requires an active psychological engagement where workers feel a sense of ownership over the tasks and outcomes within the organizational environment.

3. (C) 1957-58
The Indian Labour Conference officially accepted the recommendation of a working group to establish Joint Management Councils in the period of 1957-58. These councils were intended to be a voluntary effort to promote higher levels of worker involvement. This decision marked a significant step in the evolution of industrial relations and participative management within the Indian economy.

4. (B) I and IV only
Informative participation involves sharing essential organizational data like balance sheets and production schedules with the workforce. Decisive participation represents the highest level where decisions regarding production and welfare are taken jointly by management and workers. These two statements accurately describe specific stages in the hierarchy of participative management. Other mentioned levels are described with inaccuracies regarding their functional roles.

5. (B) Management's interpretation as consultation and employees' interpretation as co-decisions
This scenario highlights a common conflict in perspective between the two primary stakeholders in an organization. While management often views participation as a process of sharing information and conducting joint consultations, employees may perceive it as having an equal say or co-decision-making power. This divergence creates friction when expectations regarding the ultimate decision-making authority remain fundamentally different between groups.

6. (B) It decreases the overall efficiency of employees due to time spent in councils.
Workers' participation in management is intended to enhance rather than decrease organizational efficiency. By involving employees in decision-making, the organization fosters a sense of responsibility and initiative, leading to better resource utilization. The claim that it decreases efficiency due to time spent in meetings is factually incorrect, as the long-term gains in productivity outweigh the meeting time.

7. (B) Arrangements designed to involve workers in the enterprise's decision-making process
Worker participation primarily implies the creation of formal or informal arrangements that allow employees to contribute to the decision-making process within an enterprise. This concept moves beyond traditional top-down management by recognizing workers as valuable contributors. It seeks to balance the interests of labor and management through various levels of involvement, ranging from information sharing to joint decision-making.

8. (B) Economic, Personnel, and Social decisions
Managerial decisions that impact the workforce are typically classified into three distinct categories. Economic decisions involve large-scale strategic changes like mergers and automation. Personnel decisions focus on

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25. (B) Economic decisions – Shutdown and mergers
Economic decisions in an industrial establishment are those that significantly impact the financial and operational structure of the company. Shutdowns and mergers are prime examples as they involve strategic resource allocation and long-term viability. Other categories like social or personnel decisions focus on welfare and individual employee relations rather than the large-scale economic maneuvers that define the corporate entity's future.

26. (I, III, II, IV) (A) I, III, II, IV
The chronological development of participation in India began with the 1947 Industrial Disputes Act's Works Committees. This was followed by the 1956 Industrial Policy Resolution leading to Joint Management Councils. Joint Consultative Committees were introduced in 1975, and the government reintroduced the scheme in 1984. This sequence reflects the shifting legislative and policy efforts to institutionalize worker involvement.

27. (B) I, II, IV, and V
Effective participation in management offers several benefits, such as reducing resistance to change and opening channels for upward communication. It also helps prevent outside intervention in internal disputes and encourages a creative atmosphere among the general workforce. However, joint decision-making is intended to resolve disputes rather than increase conflicting situations, making the third statement an incorrect listing of a benefit.

28. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Conflict between management and labor is minimized when workers view the organization's goals as their own. Workers' participation or association in management is the primary mechanism used to create this sense of alignment. By involving employees in the processes that shape their work, the organization reinforces the feeling that individual efforts directly contribute to a shared and beneficial success.

29. (A) Statement I is correct, and Statement II is incorrect.
True participation is a social process that shifts individual focus from "I" to "we," fostering a sense of collective responsibility. It specifically involves joint decision-making where the resulting responsibilities are shared between management and labor. The idea that participation encourages an individualistic "I" perspective is incorrect, as the concept is fundamentally rooted in group involvement and shared organizational identity.

30. (D) P-3, Q-1, R-4, S-2
Different groups interpret participation differently. Management often views it as consultation before decisions, while employees see it as co-decisions. Experts interpret it as association without final authority. From an organizational perspective, it is viewed as a win-win situation based on consensus. Understanding these varied interpretations is crucial for implementing a successful participative system that satisfies the expectations of all stakeholders involved.

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31. (C) 100 or more workmen
Under the Industrial Disputes Act of 1947, the appropriate government may require an employer to constitute a Works Committee if the industrial establishment employs one hundred or more workmen. This statutory body is designed to promote amity and good relations between the employer and the workers by providing a forum for discussing matters of common interest and daily shop-floor concerns.

32. (B) I and III only
Joint Management Councils are voluntary bodies that typically consist of a maximum of twelve members. They are intended to provide a higher level of consultation and information sharing than basic works committees. While works committees have a threshold of one hundred workmen, the recommendation for JMCs generally applies to larger units, often those employing five hundred or more workers.

33. (A) I and II only
Participation helps organizations manage change by making workers more willing to accept new methods. It also improves communication by opening upward channels, which reduces the

perspectives are aligned through participative processes, this inherent tension can lead to frequent disputes, wasted energy, and a breakdown in organizational harmony.

17. (A) P-2, Q-4, R-3, S-1
Consultative participation involves management considering suggestions before deciding. Associative participation means management implements council recommendations in defined areas. Administrative participation allows the council to select from given alternatives for implementation. Decisive participation occurs when management and labor make joint decisions on production and welfare. These levels represent the increasing depth of worker involvement in the various stages of the decision-making process.

18. (A) Resolving grievances and conflicts, and maintaining harmony
Organizations often lose significant energy and resources when they are forced to deal with constant internal friction, such as unresolved grievances and industrial disputes. Maintaining harmony becomes a drain on managerial time and focus when there is no alignment between workers and the enterprise. Effective participation helps channel this energy back into productive work by minimizing the sources of conflict.

19. (D) Consenters do not participate; they simply approve something already decided.
Participation and consent are fundamentally different processes. Participation involves active mental and emotional engagement in the decision-making process itself. In contrast, consent is a passive action where individuals merely approve or sign off on decisions that have already been made by others. True participation requires a level of contribution and shared responsibility that is absent in simple consent-seeking.

20. (A) Personnel decisions – Lay-offs and mergers
Lay-offs and mergers are categorized as economic decisions because they involve strategic organizational changes and significant financial implications. Personnel decisions, on the other hand, relate to day-to-day human resource management, such as grievance settlements and work distribution. Therefore, grouping mergers with personnel decisions is incorrect within the standard framework of classifying managerial choices in an industrial or corporate setting.

21. (C) Administrative participation
Administrative participation is characterized by a situation where management provides a set of pre-determined alternatives to a joint body. The council then evaluates these options and selects one for implementation. This level of involvement gives workers a choice in how tasks are executed or which equipment is used, even though they were not involved in the initial strategic decision-making.

22. (B) It implies that workers have the final authority to override managerial decisions.
While workers' participation in management fosters industrial democracy and teamwork, it does not typically grant workers the final authority to override decisions made by management. The concept is intended to create a collaborative forum for communication and consultation rather than establishing a system where labor can unilaterally veto executive actions. Most models focus on shared influence rather than absolute worker control.

23. (D) I, II, and III
The evolution of workers' participation in India involved several key milestones. These include the 1947 Industrial Disputes Act's mandate for Works Committees, the Indian Labour Conference's recommendation for Joint Management Councils in the late 1950s, and early adoption by steel companies in Jamshedpur. These events collectively established the foundation for formal participative mechanisms in the Indian industrial sector across multiple decades.

24. (D) Restrictive participation
Standard management literature identifies several levels of participation, including informative, consultative, associative, administrative, and decisive. These categories describe the varying degrees of worker involvement in organizational affairs. Restrictive participation is not a recognized level within this framework, as the concept of participation generally focuses on expanding rather than limiting the scope of employee contribution and involvement in management processes.

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individual employee matters such as recruitment and grievances. Social decisions relate to the general working environment, including safety and welfare measures. These groups encompass the broad range of organizational decision-making areas.

9. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Achieving ideal joint decision-making with shared responsibilities is difficult in real industrial settings. This difficulty exists because true collaboration requires an atmosphere of total openness and mutual trust, which is often hindered by conflicting interests or union rivalries. Consequently, the lack of these necessary psychological conditions explains why such a high level of participation remains a rare achievement.

10. (A) Statement I is correct, and Statement II is incorrect.
Literally, workers' participation means involving employees in decisions that affect them and the organization. However, the concept lacks a single, universally accepted definition because different interest groups interpret it according to their own goals. Management, employees, and experts each view the level and scope of participation differently, making it a complex and multifaceted concept rather than a precise one.

11. (D) Informative participation
Informative participation occurs when management shares organizational data, such as financial results and production targets, with employees without seeking their feedback or suggestions. In this scenario, the flow of information is primarily one-way, serving to keep the workforce informed about the state of the enterprise. It represents the most basic level of participation within a corporate management structure.

12. (C) Experts regard participation as labour association without final authority or responsibility.
Academic experts and researchers typically interpret participation as a form of labor association where workers are involved in discussions but do not hold final decision-making authority. This perspective views participation as a way to integrate worker insights into the management process without shifting the ultimate responsibility for the organization's outcomes away from the professional management team and executive leadership.

13. (A) P-3, Q-4, R-1, S-2
Economic decisions include major organizational changes like automation and mergers. Personnel decisions focus on human resource matters such as promotions and grievance settlements. Social decisions cover worker welfare, including health and safety. Finally, decisive participation is characterized by joint decision-making on production and welfare. Matching these categories correctly requires understanding the specific scope and impact of each type of managerial choice.

14. (C) Workers' Participation in Management
Workers' participation in management is based on the philosophy of aligning individual goals with organizational objectives. By making employees feel like part of a team, the firm reduces friction and creates a sense of shared success. This approach aims to minimize the perceived conflict of interest between labor and management, fostering a more harmonious and productive industrial environment.

15. (D) Workers show enthusiasm because of the feeling of 'ownership' over decisions made.
Participation has a significant psychological impact because it fosters a sense of ownership among employees regarding the decisions they helped create. When workers are involved in the process, they are more likely to support and implement decisions enthusiastically rather than resisting them. This feeling of inclusion transforms the perception of management directives into shared goals, boosting morale and commitment.

16. (A) Due to the perceived conflict of interest basically between the two groups
The root cause of most industrial conflicts and grievances is the fundamental perception of conflicting interests between management and workers. Management typically focuses on efficiency and profit, while workers prioritize wages and working conditions. Unless these two

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likelihood of information distortion. However, the goal of joint decision-making is to improve productivity through better collaboration and faster conflict resolution, rather than reducing the unit's productivity due to delays in decision-making processes.

34. (B) I, II, IV, and V
The appointment of workmen directors in nationalized banks is governed by government schemes under the Banking Companies Act. These directors have the same rights as others but the process is often complicated by union rivalries and membership verification disputes. While the majority union's representative is usually appointed, the claim that minority union representatives normally get the appointment is factually incorrect.

35. (C) Both Statement I and Statement II are correct.
Works committees are recognized as the initial step toward formal workers' participation in management. Their scope is specifically focused on relationship management at the shop floor level, aiming to resolve daily friction and maintain a peaceful working environment. While their powers are limited and advisory, they provide the essential foundation for more advanced and collaborative forms of participative management.

36. (A) The scheme was initially government-driven and subsequently reintroduced in 1984.
The Joint Consultative Committees scheme was a government-led initiative introduced in 1975 to enhance industrial democracy. After facing various implementation challenges, the scheme was later reintroduced by the government in 1984. It utilizes a two-tier model involving shop councils and joint councils to address productivity and efficiency at both the departmental and the whole-enterprise levels within the industrial unit.

37. (A) Associative participation
Associative participation exists when the management is under an obligation to consult the joint council and implement its recommendations in specific, defined areas. In this scenario, the mandatory implementation of safety recommendations by the management illustrates this level of participation. It represents a stronger form of involvement than mere consultation, as the council's input has a direct and binding impact.

38. (D) P-4, Q-1, R-3, S-2
Works Committees are mandated for units with 100 or more workmen. Joint Management Councils are recommended for units with 500 or more workmen. Quality Circles are small groups typically consisting of seven to ten people. Finally, Joint Consultative Committees were initially introduced for manufacturing and mining units with 500 or more workers. These thresholds define the administrative scope of each participative mechanism.

39. (D) Banks nationalized in 1969 – Nationalized Banks Scheme, 1970
The nationalization of fourteen major banks in 1969 led to the creation of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme in 1970. This scheme provided the framework for appointing workmen directors to the boards of these banks. It was a landmark effort to institutionalize worker participation at the highest levels of decision-making within the Indian public sector banking industry.

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40. (C) The total number of members in the Works Committee should not be more than 20.
Statutory regulations specify that the total number of members in a Works Committee must not exceed twenty. The committee must include an equal number of representatives from both the employer and the workmen. These representatives are often chosen in consultation with registered trade unions to ensure they truly reflect the interests of the workforce in matters of daily shop-floor harmony.

41. (B) P-2, Q-1, R-4, S-3
Shop councils are constituted at the departmental level to focus on increasing production. Joint councils operate at the enterprise level to handle broader productivity norms. Representation in these joint councils is restricted to twelve members. Initially, the implementation of these schemes was driven by government compulsion. This two-tier structure ensures that participative efforts address both localized and organizational efficiency issues.

42. (C) Participation is a social process involving shared responsibilities, unlike consent which is just approval.
Participation is a social process that requires mental and emotional involvement, leading to shared responsibility for organizational outcomes. This distinguishes it from consent, which is merely the act of approving a decision made by someone else. While consent is passive, participation is active and fosters a collective "we" attitude that aligns individual interests with the overall success of the enterprise.

43. (B) They basically operate only at a level of consultative participation stage.
Joint Management Councils often struggle to gain significant support because they frequently remain stuck at the consultative stage of participation. In this stage, management seeks advice but retains the final decision-making power. Without moving toward more associative or decisive forms of participation, workers may feel that their input is not truly impactful, leading to a lack of commitment to the process.

44. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Works committees are often criticized for their lack of effectiveness in many organizations. This is primarily because they operate in an advisory capacity without real power, and their functioning is frequently disrupted by rivalries between different trade unions. These structural and political limitations prevent them from successfully fulfilling their role as a bridge between management and the general workforce.

45. (C) A two-tier model consisting of shop councils at the shop-floor and joint councils at the enterprise.
The Joint Consultative Committee scheme follows a two-tier structure. The first tier consists of shop councils established for each department to improve local production and eliminate wastage. The second tier is the joint council, which operates for the entire enterprise to deal with productivity norms and issues unresolved at the shop level. This model ensures comprehensive participation across the industrial unit.

46. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Participation encourages workers to take initiative and suggest cost-saving measures because it creates a psychological sense of ownership. When employees feel they have contributed to a decision, they are more committed to its successful implementation and the efficient use of resources. This direct link between involvement and motivation explains why participative management leads to improved organizational efficiency and creativity.

47. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Worker representation on a company's board of directors often fails to be effective if it lacks a supporting structure at lower organizational levels. Without active participation at the shop-floor level, the board-level representative becomes isolated from the daily concerns of the workers. This gap between high-level representation and ground-level engagement prevents the system from achieving its true potential for industrial democracy.

48. (B) Their scope is limited to relationship management and they function essentially in an advisory capacity.
Works Committees are limited by their advisory nature and their specific focus on maintaining good relations at the shop floor. They do not have the power to make binding decisions or handle complex economic issues like mergers. This narrow scope, combined with their inability to take the place of unions in collective bargaining, often restricts their impact on broader organizational decision-making.

49. (A) Joint Management Council
A Joint Management Council is a voluntary body that serves as a consultative forum for workers and management. It typically consists of an equal number of representatives from both sides, often totaling six members each. These councils aim to improve communication and cooperation at the policy level, particularly in larger units that seek to go beyond the statutory requirements of basic works committees.

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50. (A) I, II, III, IV
The numerical constraints in participative bodies follow a specific order from lowest to highest values. Joint Management Councils have a maximum of twelve members. Works Committees allow up to twenty members. For a mandate, Works Committees require a unit to have one hundred workmen. Finally, Joint Management Councils are typically established in larger units employing at least five hundred workers.

51. (D) Joint councils are constituted for each department with equal representation.
In the two-tier participative model, shop councils are the ones constituted for each individual department or shop. Joint councils, in contrast, are established for the unit as a whole to address enterprise-wide matters and issues that could not be resolved at the shop level. Therefore, stating that joint councils are formed for each department is an incorrect description of their structure.

52. (D) A system where decisions are taken jointly on matters relating to production, welfare, etc.
Decisive participation represents a high degree of involvement where management and workers take decisions jointly on key areas like production schedules and welfare programs. This level goes beyond consultation by sharing the actual power to decide organizational actions. It requires a significant level of mutual trust and a commitment to shared responsibility for the resulting outcomes of these joint decisions.

53. (C) They are given final authoritative power to dictate management's economic decisions.
Works committees are often ineffective because they are strictly advisory and face challenges from union rivalries. They are not given final authoritative power over management's economic decisions. In fact, their lack of real decision-making authority is a primary reason why they are sometimes viewed as ineffective by workers and unions who seek more significant influence over organizational policies.

54. (C) Multiplicity of unions creates challenges regarding the appointment and membership verification process.
A major controversy in appointing workmen directors arises from the multiplicity of trade unions within an organization. When several unions claim to represent the majority, the process of verifying membership through the Regional Labour Commissioner becomes complex and contentious. These disputes can lead to legal battles and delays, hindering the effective implementation of worker representation at the board level.

55. (A) Industrial Policy Resolution in 1956
The concept of Joint Management Councils in India finds its origins in the Industrial Policy Resolution of 1956. This policy emphasized the need for joint consultation and the progressive involvement of workers in management to promote industrial peace and productivity. Following this resolution, the government and labor conferences worked to establish these councils as a voluntary mechanism for industrial democracy.

56. (B) I, III, and IV
Economic decisions include strategic actions like mergers and shutdowns. Social decisions cover workplace environment issues such as noise control and hours of work. Personnel decisions involve individual human resource management tasks like recruitment and selection. Categorizing work distribution and transfers under social decisions is incorrect, as these are typically considered personnel matters related to the management of individual employees.

57. (A) The complications caused by the multiplicity of unions
When multiple unions within an organization dispute each other's membership counts to secure board-level representation, it illustrates the systemic challenge of union multiplicity. These disputes often require intervention from external authorities for verification and can result in protracted legal conflicts. Such rivalries undermine the unified voice of the workers and complicate the implementation of participative management schemes in industrial establishments.

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58. (A) They are entitled to supplant or supersede the union for the purpose of collective bargaining.
Works committees are designed to promote amity and resolve daily shop-floor friction between management and labor. However, they are not intended to replace or supersede trade unions in the process of collective bargaining. Their role is complementary and focused on relationship management, rather than taking over the union's primary function of negotiating wages and formal employment contracts for workers.

59. (B) I, III, and IV
Workers' participation on the board involves appointing representatives from both the workmen and officer groups. These representatives enjoy the same rights and status as other directors. While this was tried extensively in public sector undertakings like nationalized banks, the claim that it was mainly tried in private sector companies during the mid-1960s is an incorrect statement regarding its history.

60. (B) Works Committee
A Works Committee is the appropriate body for a factory employing more than one hundred workmen, such as the one described with one hundred fifty workers. Its primary purpose is to address shop-floor friction and promote amity through equal representation of management and labor. It functions in an advisory capacity and is legally prohibited from engaging in the formal collective bargaining process.

61. (C) Collective Bargaining
Collective bargaining is a process where management and unions negotiate terms of employment through a power-based exchange. Unlike true participation, which emphasizes collaboration and shared goals, bargaining often involves aggressive tactics where each side seeks to maximize its own benefit. This competitive environment distinguishes it from the cooperative and inclusive themes found in more advanced models of workers' participation.

62. (A) Motivate employees and reduce the attrition rate
Employee Stock Option Plans are used as a strategic tool to motivate staff and decrease high attrition rates, particularly in the software industry. By offering shares that vest over a period of years, companies encourage employees to remain with the firm long-term. This mechanism aligns the individual's financial interests with the company's market performance, fostering a sense of ownership and commitment.

63. (A) Shop councils escalating to Joint councils
In a two-tier participative structure, shop councils handle issues at the departmental level, such as production targets and wastage. If a problem remains unresolved at this localized level, it is escalated to the joint council, which oversees the entire industrial unit. This hierarchy allows for efficient problem-solving while ensuring that enterprise-wide productivity and efficiency norms are maintained consistently across departments.

64. (C) Nominated by the government from the workmen union enjoying majority membership
In the public sector banking industry, the workman director is typically nominated by the central government. The government chooses the representative from the trade union that is verified to have the majority membership among the bank's workmen. This process ensures that the director reflects the interests of the largest group of employees, though it can be complicated by union rivalries.

65. (A) P-3, Q-1, R-4, S-2
Collective bargaining involves parties exercising power for their own benefit. Suggestion schemes maintain interest in workplace problems by offering rewards for ideas. Quality circles consist of small groups using analytical skills to solve quality issues. Employee Stock Option Plans provide workers the right to purchase shares at a set price. Matching these features correctly identifies the distinct functional mechanisms of each participation form.

66. (C) I and III only
In banks, periodic joint consultative meetings for collective bargaining are a popular method of participation. Additionally, while suggestion schemes exist, they often fail to contribute to true workers' participation in management. The claim that true participation occurs during joint talks is often contested, as these meetings frequently involve management simply presenting pre-

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set goals rather than engaging in collaborative decision-making processes.

67. (A) Statement I is correct, and Statement II is incorrect.
The two-tier model of shop and joint councils was designed to bridge the gap left by board-level participation, which often failed to reach the shop floor. Experience shows that participation at the board level does not automatically trickle down to branch or department levels. Therefore, while the two-tier model addresses this systemic weakness, the idea that board-level synergy easily percolates down is incorrect.

68. (B) The life cycle and disadvantages of Quality Circles
Quality Circles often follow a distinct life cycle where they are initially successful but eventually lose steam. This scenario illustrates common disadvantages, such as management's failure to implement suggestions and union resistance due to perceived worker overburdening. Without ongoing commitment and feedback, these small problem-solving groups often dissolve after one to three years, failing to sustain long-term participation in the organization.

69. (A) Statement I is correct, and Statement II is incorrect.
A workman director faces a significant dilemma, balancing their role as a union leader with the broader perspective required of a corporate director. This conflict of interest makes the role very challenging. Experience indicates that representatives often struggle to overcome this dilemma, sometimes leading to restricted participation or abstention. Therefore, the claim that representatives easily overcome this conflict is incorrect in practice.

70. (C) Suggestion Schemes
Suggestion schemes encourage employees to contribute ideas for improving organizational efficiency and reducing costs. When a company rewards a worker for a process simplification that saves time and money, it successfully applies this participative method. The reward, typically proportional to the savings achieved, serves to maintain interest in organizational problems and fosters a culture where every employee's input is valued and rewarded.

71. (A) I, II, III, and IV
Worker participation in nationalized banks involves government-nominated directors, membership verification through the Regional Labour Commissioner, and representation for both workmen and officers. Large branch networks present a significant challenge for branch-level participation. While these elements are part of the system, the claim that suggestion schemes have established true participation is generally not supported by the actual experience of bank employees.

72. (B) II and III only
Collective bargaining allows management and labor to agree on rules for employment contracts and their termination. In practice, this process is often competitive, with each party trying to gain an advantage over the other. However, agreements reached through collective bargaining are not legally binding in every single instance, as their status can depend on specific legal frameworks and the nature of the settlement.

73. (D) Employees can exercise the right to purchase company shares immediately without waiting for any vesting period.
Employee Stock Option Plans are designed as long-term motivation tools, which means they almost always include a vesting period. Employees must remain with the company for a specified number of years before they can exercise their right to purchase shares at the discounted price. The claim that employees can purchase shares immediately without a waiting period is incorrect and contrary to the purpose.

74. (B) I, III, and IV
Quality Circles can provide impressive results and require consistent management feedback to succeed. They also typically follow a life cycle of one to three years. However, trade unions do not universally support them; some unions view Quality Circles with suspicion, fearing they might overburden workers or erode the union's role. This makes the second statement regarding universal union support an incorrect assertion.

75. (D) Shop-floor level (branch level)
When employees at remote bank branches feel isolated from the decisions made at the central board, it indicates a failure of participation at

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the shop-floor level. High-level representation, such as having a workman director on the board, does not automatically ensure that the benefits of participation reach the daily operational levels of a large, geographically dispersed organization like a nationalized bank.

76. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The two-tier model is considered pragmatic because it addresses issues at the shop-floor level while also providing representation at the top. This structure helps overcome the persistent "we vs. they" attitude found in daily operations. By creating a link between departmental councils and enterprise-level councils, the model ensures that the high-level participative efforts are supported by ground-level engagement.

77. (D) Employee Suggestion Schemes in banks – Results in true participation in management decision-making
In the banking sector, various models like board-level representation and collective bargaining through joint talks are used. However, employee suggestion schemes in banks are generally viewed as ineffective for achieving true workers' participation in management. They often function as simple solicitation of ideas without allowing workers to participate in the actual decision-making or implementation processes that define real participative management.

78. (D) Rewards are given in line with the benefits derived from the accepted suggestions.
Suggestion schemes typically reward employees by offering incentives that are proportional to the value or savings generated by their ideas. This direct correlation between the benefit of the suggestion and the reward given serves to motivate workers and maintain their interest in solving organizational problems. It ensures that the participative effort is recognized fairly based on its impact on company performance.

79. (B) I, II, IV, and V
Many experimental participation models fail due to union fears of losing importance and management's reluctance to share all necessary information. Furthermore, limiting participation to specific issues or restricting it to welfare and personnel matters prevents it from reaching the level of actual decision-making. These factors, rather than the successful resolution of director role conflicts, are the primary reasons for the failure of such schemes.

80. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Most Quality Circles have a limited life cycle of one to three years because they often run out of simple problems to solve. Sustaining these groups requires significant commitment and time from both workers and management. When the initial enthusiasm fades and only more complex problems remain, many circles lose momentum and eventually stop meeting, leading to their eventual failure in the organization.

81. (A) I, II, and IV
The experience of participation in Indian banks has been partially successful, and the board-level model continues despite its drawbacks. For the system to be fully successful, a fundamental change in the mindsets of both management and workmen is required. The claim that studies have seen no merit whatsoever in these processes is incorrect, as there are recognized benefits despite the existing challenges.

82. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Collective bargaining is distinct from true workers' participation because it is based on a power dynamic where each party seeks its own benefit. In this process, negotiation replaces collaboration. Because it emphasizes the exercise of power and the achievement of individual group interests rather than a shared organizational objective, it is not considered participation in its strongest and most collaborative sense.

83. (D) A group of seven to ten people meeting regularly to analyse and solve quality-related problems.
A Quality Circle is a small group of employees, usually seven to ten members, from the same work area who meet regularly. They use analytical tools and problem-solving techniques to identify and resolve quality-related issues in their daily work. This voluntary mechanism encourages

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ground-level participation and allows workers to contribute their technical expertise toward improving organizational efficiency and product quality.

84. (C) Conflict between different roles experienced by worker representatives on the Board.
This case highlights the dilemma faced by worker representatives who serve on a board of directors. They must balance their responsibility toward the company's long-term survival with their loyalty to union members who may be affected by management decisions. This conflict of roles often leads to difficult choices or restricted participation, illustrating the inherent challenges of high-level worker representation in a corporate structure.

85. (C) To arrest the growing attrition rate which is high in the software industry
Software companies frequently use Employee Stock Option Plans primarily to retain talent in a highly competitive labor market. By giving employees a financial stake in the company that vests over several years, the firm reduces the likelihood of them leaving for competitors. This retention strategy aligns the interests of the employees with the long-term stock performance and growth of the organization.

86. (B) Taking corrective steps for absenteeism at the department level
In a two-tier participative model, joint councils focus on enterprise-wide matters such as overall efficiency, unresolved issues from lower levels, and unit-level productivity norms. Correcting absenteeism at the departmental level is a localized function specifically assigned to shop councils. Therefore, department-level absenteeism management is an exception to the broader functions performed by joint councils at the higher enterprise level.

87. (B) The total absence of officer representation on the Board
Public sector banks face several challenges with worker participation, including union multiplicity and the difficulty of reaching employees in large branch networks. However, saying there is a total absence of officer representation is incorrect. In fact, schemes specifically provide for the nomination of an officer director on the board, ensuring that both workmen and officers have a voice in high-level management.

88. (B) Japan
The concept of Quality Circles originated in Japan in the early 1960s as a method to improve product quality and employee involvement. By encouraging small groups of workers to solve technical problems, Japanese companies achieved significant improvements in manufacturing excellence. This participative approach was later adopted by organizations worldwide, including many large manufacturing and service firms in the Indian industrial sector.

89. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Experiments in workers' participation often struggle to achieve full success due to the hesitations of trade unions. Union leaders frequently worry that these collaborative methods might erode their influence or make them appear redundant to the workforce. This fear of losing importance is a primary reason why unions may not fully commit to participative schemes, leading to their eventual failure.

90. (A) Through QCs, workers solve technical problems while engaging in tasks outside their daily routine.
In Indian companies, Quality Circles allow workers to step away from their routine tasks to focus on identifying and solving technical problems. This process utilizes the workers' firsthand knowledge of the production process to achieve efficiency gains. Successfully implemented Quality Circles in various Indian sectors have shown that workers can effectively use analytical skills to improve quality and reduce wastage in their departments.

91. (A) P-3, Q-4, R-1, S-2
Works Committees have a maximum membership limit of twenty. Joint Management Councils are restricted to a maximum of twelve members. Quality Circles are small groups typically comprising seven to ten people. In the banking sector, shop-floor participation is particularly difficult in branch networks that exceed one thousand locations. These numerical constraints

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define the organizational scale and membership structure of various participative bodies.

92. (C) The Office of the Regional Labour Commissioner
When multiple unions in a bank dispute who has the majority membership for nominating a director, the Regional Labour Commissioner's office is responsible for conducting the verification. This external authority ensures a neutral and formal process for counting union members. Resolving these contentious disputes is essential for maintaining the integrity of the selection process for worker representation on the bank's board of directors.

93. (A) I, II, III, IV, and V
Workers' participation in management is a multi-dimensional concept that requires mutual trust and openness to succeed. It faces several practical challenges, such as union rivalry in works committees and the need for management commitment in quality circles. In large organizations like public sector banks, the vast network of branches makes implementing shop-floor participation particularly difficult. All these factors together shape the reality of WPM.

94. (C) A change in the mindsets of both the workmen (and their unions) and the management
For a participative management system to be truly successful, especially in large organizations like nationalized banks, there must be a fundamental change in the mindsets of all parties. Both management and labor unions need to move away from adversarial attitudes toward a culture of mutual trust and collaboration. Without this psychological shift, formal structures like board-level representation remain ineffective at the shop-floor.

95. (A) He possesses a status similar to any other director on the Board.
In the nationalized banking sector, an officer director appointed to the board by the central government holds the same status and rights as any other director. This includes the right to attend all meetings, participate in discussions, and vote on board resolutions. This equal status ensures that the interests of the bank's officers are represented at the highest level of corporate decision-making.

96. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Joint talks in banks often fail to achieve true participation because they frequently become a one-way communication channel. Instead of collaborative decision-making, management may use these sessions simply to inform union leaders of pre-determined goals and plans. This lack of real influence for the workers' representatives means that these meetings do not fulfill the core objective of active involvement in the management process.

97. (A) P-3, Q-4, R-1, S-2
Works committees often fail because they are advisory and conflict with unions. Joint Management Councils frequently stay at the consultative stage without real support. Board-level representatives face a dilemma between union leadership and director responsibilities. Quality Circles typically lose steam after three years. Matching these methods to their specific reasons for ineffectiveness provides a clear overview of the challenges faced in participative management.

98. (B) P-2, Q-4, R-1, S-3
The Industrial Disputes Act stipulated the formation of Works Committees, while the 1956 Industrial Policy Resolution led to Joint Management Councils. The scheme under the Banking Companies Act provides the procedure for identifying representative unions for board appointments. Finally, the Regional Labour Commissioner handles membership verification in union disputes. These frameworks collectively govern the various formal methods of worker participation in the Indian industrial landscape.

99. (D) It does not contribute to the theme of workers' participation in management in a real sense.
An 'Idea Box' or simple suggestion scheme does not constitute real workers' participation in management because it lacks a joint decision-making mechanism. While it allows for the submission of individual ideas, it does not involve workers in the management of the organization or in implementing the chosen solutions. True participation requires a level of engagement and shared responsibility that simple solicitation of suggestions cannot provide.

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100. (D) That through such talks, the participation of workers often fails to take place in the true sense. When union leaders feel that consultative meetings are merely for listening to management's pre-set plans, it validates that true participation is not occurring. Real participation requires two-way communication and the ability for workers to influence outcomes. If the process is restricted to information sharing without actual collaboration, the system fails to achieve its purpose of involving employees in the meaningful management of the enterprise.

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constituents

May/June 2017

28. Consider the following statements regarding the counseling process:

I. Counseling is an elaborate process which includes intent listening by the superior.
II. The immediate attempt during counseling is to explain and educate the employee about the rules to be followed.
III. Counseling invariably results in inflicting a minor punishment on the delinquent.

Which of the statements given above are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2015

29. Arrange the following steps of the proceedings in a domestic enquiry in the correct sequential order:

1. The MR leads the case in support of charges through witnesses.
2. The CSE is asked whether he/she pleads guilty to the charges.
3. The defence is asked to present its case after the MR closes his case.
4. The CSE is given a chance to cross-examine the management's witness.

(A) 2, 1, 4, 3
(B) 1, 2, 3, 4
(C) 2, 4, 1, 3
(D) 2, 1, 3, 4

May/June 2008

30. An enquiry need not be held against an award staff employee under certain circumstances. Consider the following:

I. The misconduct is such that even if proved, the bank does not intend to award punishment of discharge or dismissal.
II. The employee has made voluntary admission of the misconduct.
III. The employee is charged with minor misconduct and the punishment proposed is warning or censure.
IV. The employee is charged with major misconduct but belongs to a registered trade union.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

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Oct/Nov 2016

31. Public Sector Banks are required to be "equal opportunity employers." They must show no discrimination in the selection of people based on any of the following, EXCEPT:
(A) Community
(B) Caste
(C) Reservations prescribed by the Constitution of India
(D) Gender

May/June 2014

32. Consider the following circumstances:

I. Implied or explicit promise of preferential treatment in employment.
II. Implied or explicit threat of detrimental treatment in employment.
III. Implied or explicit threat about present or future employment status.
IV. Interference with work or creating an intimidating or hostile work environment.
V. Humiliating treatment likely to affect health or safety.

Which of the above statement(s) is/are correct regarding acts that may amount to sexual harassment under the POSH Act?
(A) I, II, and III only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

Oct/Nov 2024

33. Which of the following statements is incorrect regarding the delegation of financial powers in banks?
(A) Top management functions at a strategic level with very little exposure to day-to-day affairs of the Bank.
(B) All small and retail loans require the direct sanction of a Top Management Committee.
(C) Junior management is typically responsible for the processing of loan applications.
(D) Misuse of delegated authority by employees often occurs at the small and retail loan levels.

had been hit with cyber crime in the last two years?
(A) 25%
(B) 36%
(C) 47%
(D) 56%

Oct/Nov 2011

7. What does the term "internal discipline" of an organisation primarily consist of?
(A) Specific HR policies exclusively provided by the department
(B) Internal rules, procedures, and ethical codes of conduct
(C) Statutory regulatory provisions mandated by the federal government
(D) Strict penal actions taken against those committing misconduct

May/June 2018

8. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): In respect of the managerial staff in private sector banks, a personal contract of service cannot be enforced.
Reason (R): This is in view of section 14 of the Specific Relief Act.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

9. Consider the following statements regarding the role of the Disciplinary Authority after receiving the enquiry officer's findings:
I. The Disciplinary Authority must blindly accept the enquiry officer's findings without any right to disagree.
II. The Disciplinary Authority may disagree with the findings, record its own findings giving reasons, and give the employee an opportunity to have a say.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2012

10. All of the following are universally accepted Principles of Natural Justice, EXCEPT:
(A) No man should be a judge in their own cause.
(B) No one should be condemned unheard.
(C) Secret examination of witnesses to hide identities.
(D) Punishment commensurate with the nature of misconduct.

Oct/Nov 2017

11. Consider the following tactics used by cyber criminals:
I. Sending phishing emails to trick employees into handing over user credentials.
II. Setting up fake websites that dupe consumers into giving away sensitive financial data.
III. Physically breaking into bank vaults during the night.
Which of the above statement(s) is/are correct regarding modern cyber criminal targets?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2021

12. According to the directives of the Reserve Bank of India, what policy has each bank formulated to evaluate employee actions?
(A) Zero Tolerance Policy
(B) Staff Accountability Policy
(C) Penal Action Procedure
(D) Disciplinary Proceeding Code

Oct/Nov 2008

13. Under the provisions of domestic enquiry, the scope of the enquiry is strictly determined by:
(A) The charge-sheet or articles of charge.
(B) The Management Representative's verbal allegations.
(C) The past performance appraisals of the employee.
(D) The provisions of the Evidence Act, 1872.

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May/June 2007

14. Arrange the following steps of taking disciplinary action against an award staff employee in the correct sequential order:

1. Conducting a departmental enquiry if decided, allowing the accused to prepare the defence.
2. Giving a charge-sheet explaining the circumstances appearing against the employee.
3. Permitting the employee to cross examine witnesses and produce evidence.
4. Giving the accused sufficient time to give an explanation to the charge-sheet.

(A) 2, 4, 1, 3
(B) 2, 1, 4, 3
(C) 1, 2, 4, 3
(D) 2, 3, 4, 1

Oct/Nov 2019

15. What is considered the best way to prevent frauds in banks?

(A) Imposing the death penalty for all fraudulent acts
(B) Prohibiting all forms of retail loans entirely
(C) Relying only on the CBI for branch inspections
(D) Staff education combined with full work computerisation

May/June 2024

16. Which of the following best reflects the core assumption of disciplined behaviour in an organisation?

(A) Voluntary acceptance of organizational norms out of conviction
(B) Continuous monitoring by top management to enforce compliance
(C) Management through the fear of severe punitive actions
(D) Static and rigid rules regardless of the changing scenario

Oct/Nov 2010

17. The following scenario relates to representation in enquiries. Mr. Verma, a charge-sheeted bank employee, wishes to be defended by a lawyer during his domestic enquiry. According to the rules, what must happen for this to be permitted?

(A) The request must be referred to the Disciplinary Authority for approval.
(B) He can bring a lawyer without any prior permission.
(C) The Enquiry Officer can directly grant permission based on a written request.
(D) The union representative must step down to allow the lawyer to defend him.

May/June 2013

18. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:

Assertion (A): In the banking industry, a fraud of Rs. 5 or Rs. 5 lacs must be viewed with the same seriousness.

Reason (R): In acts of misconduct involving fraud or dishonesty, the intent is material and not the amount.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

19. In a domestic enquiry, what is meant by "examination-in-chief"?

(A) The questioning of a witness by the opposite side to test their credibility.
(B) The final argument presented by the Management Representative.
(C) The process where the enquiry officer dictates the final findings.
(D) The examination of a witness first by the party producing him.

May/June 2016

20. Which of the following is an incorrect pair regarding the classification of penalties for officer-employees in public sector banks?

(A) Recovery from pay of pecuniary loss caused to the bank — Major penalty
(B) Censure — Minor penalty
(C) Withholding of increments of pay — Minor penalty
(D) Compulsory retirement — Major penalty

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Oct/Nov 2012

21. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): Banks are considered a highly lucrative target for cyber-crime.
Reason (R): Cyber criminals go where the money is, and banks have more money than most other organisations.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

22. What is the fundamental premise of the Reformative Theory in discipline management?
(A) An employee must be punished with the maximum permissible penalty to set an example.
(B) To err is human, and the employee should be given an opportunity to improve through less harsh punishments.
(C) All acts of misconduct, regardless of magnitude, should result in immediate dismissal.
(D) Discipline must solely be maintained through stringent penal actions to prevent recurrence.

Oct/Nov 2007

23. The disciplinary rules for award staff in banks originated in the tribunal awards and are presently a part of which settlement?
(A) Specific Officer Employees' (Conduct) Regulations
(B) Section 14-B of the Specific Relief Act
(C) The general Industrial Standing Orders Act
(D) Chapter 19 of the 1966 First Bi-Partite Settlement

May/June 2023

24. Which of the following statements is correct regarding the reviewing authority in the case of officer disciplinary rules?
(A) Reviewing records within one year of the final order is permitted.
(B) The authority has no power to enhance any penalty once it is imposed.
(C) The reviewing authority is typically an external judicial magistrate.
(D) Issuing a show cause notice for penalty enhancement is required.

Oct/Nov 2020

25. The following scenario relates to procedural requirements in disciplinary matters. Mr. Sharma, an officer in a public sector bank, was found to have engaged in excessive lending and borrowing. The disciplinary authority wishes to impose a major penalty. Which of the following procedural requirements is mandatory before imposing this major penalty?
(A) Only issuing a show-cause notice is sufficient.
(B) A departmental enquiry must be conducted in accordance with the laid down procedure.
(C) The appellate authority must directly dismiss Mr. Sharma without an enquiry.
(D) A simple written statement of allegations with an immediate deduction from his salary.

May/June 2011

26. Which of the following statements is incorrect regarding positive and negative discipline?
(A) Positive discipline leads to team spirit, co-operation, and high employee morale.
(B) Negative discipline involves people being forced to follow rules by threatening them with severe punishments.
(C) Punitive discipline ensures maximum adherence to rules out of mutual trust and openness.
(D) Positive discipline involves the creation of a mindset and an attitude to willingly follow the desired pattern of behaviour.

Oct/Nov 2009

27. How is 'Fraud' simply defined in the context of the banking sector?
(A) Deception intended for financial or personal gain
(B) Minor procedural deviations with zero financial impact
(C) Process of delegating powers to junior management
(D) Failure to maintain secrecy regarding bank

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CHAPTER 19

Employee Discipline and Discipline Management

Oct/Nov 2014

1. What is the primary objective of examining staff accountability and contemplating action against staff members for bonafide decisions?

(A) Punishing staff members whose actions resulted in financial loss

(B) Reducing pay for every minor act of omission or error

(C) Demonstrating the ultimate power of the disciplinary authority

(D) Boosting officer confidence for fear-free commercial decisions

May/June 2025

2. Consider the following list of individuals:

I. The enquiry officer

II. The management representative (MR)

III. The charge-sheeted employee (CSE)

IV. The defence representative (DR)

V. A typist or a stenographer who records the minutes

Which of the above persons are allowed to attend the closed-door proceedings of a departmental enquiry?

(A) I, II, III, and IV only

(B) I, II, III, and V only

(C) II, III, IV, and V only

(D) I, II, III, IV, and V

Oct/Nov 2006

3. Consider the following statements regarding the "Hot Stove Rule" by McGregor:

I. The penalty for a violation should be immediate, almost automatic.

II. The consequences should be kept secret to maintain an element of surprise for the misbehaving employee.

Which of the above statement(s) is/are correct?

(A) Only I

(B) Only II

(C) Both I and II

(D) Neither I nor II

May/June 2010

4. Match the roles in a domestic enquiry in List I with their corresponding actions or attributes in List II:

List I: (Role)

P. Enquiry Officer

Q. Defence Representative

R. Management Representative

S. Appellate Authority

List II: (Action/Attribute)

1. Disproves the charges leveled against the delinquent employee.
2. Carefully observes the demeanour of the witness to arrive at credibility.
3. Disposes of the appeal as per rules and principles of natural justice.
4. Leads the case in support of charges through witnesses.

(A) P-2, Q-1, R-4, S-3

(B) P-1, Q-2, R-3, S-4

(C) P-4, Q-3, R-2, S-1

(D) P-3, Q-4, R-1, S-2

NODIA

Oct/Nov 2022

5. Which of the following statements is correct regarding the disciplinary rules for Award Staff if an employee is acquitted in a criminal proceeding?

(A) The bank is permanently barred from taking any departmental action against the employee.

(B) It shall still be open for the bank to proceed against him/her departmentally.

(C) The bank must immediately reinstate the employee with full back wages.

(D) The bank can only issue a warning but cannot dismiss the employee.

May/June 2005

6. According to PwC's Global Economic Crime Survey of 2020, what percentage of organisations

May/June 2006

34. During an inquiry into a sexual harassment complaint, the Internal Committee concludes that the allegation made by the complainant is false and the complaint was value-laden and made knowing it to be untrue. What action can the IC recommend?
(A) Forwarding the case immediately to the Central Vigilance Commission
(B) Ordering the complainant to pay a penalty of Rs. 50,000
(C) Taking no action as the POSH Act only protects women
(D) Disciplinary action per the organization's service rules

Oct/Nov 2018

35. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): The definition of "aggrieved woman" under the POSH Act is confined only to regular women employees in the organised sector.
Reason (R): The POSH Act aims to cover traditional employer-employee relationships exclusively.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, and Reason (R) is false.

May/June 2020

36. Under Section 354A of the Indian Penal Code, what is the maximum term of imprisonment for a man committing sexual harassment?
(A) One year
(B) Three years
(C) Five years
(D) Seven years

Oct/Nov 2021

37. The following case describes a strategy for network security. An IT team at a leading bank adopts a mindset that their network has already been breached. What is the primary strategy they should use to limit a hacker's ability to move laterally across a compromised network?
(A) Network segmentation through the creation of network zones
(B) Enterprise-wide security policy enforcement
(C) Moving all operations to manual offline ledgers
(D) Completely shutting down mobile banking access

May/June 2015

38. The following case involves a compliance failure. An organisation failed to constitute an Internal Committee and did not comply with the provisions of the POSH Act. According to the penalties prescribed under the Act, what is the maximum fine that can be imposed on the employer for the first contravention?
(A) Rs. 10,000
(B) Rs. 25,000
(C) Rs. 50,000
(D) Rs. 1,00,000

NODIA

Oct/Nov 2005

39. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): Information pertaining to workplace sexual harassment shall not be subject to the provisions of the Right to Information Act.
Reason (R): The POSH Act requires maintaining confidentiality regarding the contents of the complaint, the identity of the parties, and the inquiry proceedings.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

40. Identify the correct pair regarding the following definitions or directives:
(A) Criminal Procedure Code — Primary domestic enquiry guidelines

(B) Instantly declare the employee guilty ex-parte.
(C) Ask the police to arrest the employee for non-compliance.
(D) Proceed with the examination of witnesses and close the enquiry on the same day.

Oct/Nov 2011

91. Which of the following statements is correct regarding the payment of subsistence allowance pending an enquiry for an award staff employee?
(A) The employee is entirely denied any allowance during suspension periods.
(B) Providing subsistence allowance during the suspension.
(C) The allowance is paid only if the employee formally pleads guilty.
(D) The allowance is paid exclusively from the registered trade union's funds.

May/June 2018

92. The following scenario relates to risk mitigation. A bank manager delegates the task of sanctioning large loans to a junior manager without implementing any checks and balances. Several loans default due to fraudulent documents. What should have been the correct procedural approach to mitigate this risk?
(A) The junior manager should have been given authority only for strategy formulation.
(B) Requiring committee sanction for all large loans.
(C) Closing the specific branch permanently to prevent any future defaults.
(D) Dissolving the Vigilance Department to save organizational administrative costs.

Oct/Nov 2023

93. The following scenario relates to domestic employment. A domestic worker faces sexual harassment at the house she is employed in. According to the POSH Act, who is considered the 'Employer' in this context?
(A) The District Officer.
(B) The Local Committee.
(C) The Ministry for Women and Child Development.
(D) The specific person or household employing them.

May/June 2012

94. Which of the following is a correct pair regarding the evidence process in a domestic enquiry?
(A) Documentary evidence — Can be taken on record without giving the CSE a chance to inspect it.
(B) Oral evidence — The statements made by the witness in the enquiry.
(C) Cross-examination — Conducted by the party producing the witness first.
(D) Examination-in-chief — Conducted by the opposite side after the witness testifies.

Oct/Nov 2017

95. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): The POSH Act squarely applies even when employees are Working From Home (WFH).
Reason (R): The definition of 'work place' under Section 2(o) of the Act is broad-based and inclusive, covering any place visited by an employee arising out of during the course of employment.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

96. The following scenario relates to timelines. An aggrieved woman submits a written complaint to the Internal Committee on January 1st. Within how many days must the IC send a copy of this complaint to the respondent?
(A) By January 5th
(B) By January 8th
(C) By January 11th
(D) By January 31st

Oct/Nov 2008

97. Which of the following statements is correct regarding the role of the Disciplinary Authority (DA) in conducting an enquiry for an award staff?

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1. Sanction of Loans more in Retail at large medium branches.
2. Processing of Loan Applications.
3. Strategy and sanction of loans of large amounts.
4. Sanction of Loans and Advances both Retail and Wholesale at Regional Large Branch Level.

(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-1, R-2, S-3
(C) P-1, Q-2, R-4, S-3
(D) P-3, Q-2, R-1, S-4

Oct/Nov 2022

47. Consider the following statements regarding the composition rules of the Internal Committee (IC) under the POSH Act:

I. Not less than half of the IC Members shall be women.
II. The term of the IC Members shall not exceed 3 years.
III. A minimum of 5 Members of the IC including the Presiding Officer are to be present for conducting the inquiry.

Which of the statements given above are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2005

48. How does the Legal Definition describe 'Sexual Harassment'?
(A) Mutually agreed relationships between office colleagues
(B) Unwelcome sexual advances or offensive sexual conduct
(C) Professional criticism provided regarding employee attire
(D) Confidential evaluations of an employee's personal life

Oct/Nov 2011

49. Consider the following statements regarding the definition of 'Work Place' under Section 2(o) of the POSH Act:

I. It includes any transportation service provided by the employer for visiting any such place.
II. It expressly excludes a house or any domestic dwelling.

Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2018

50. Match the timelines prescribed under the POSH Act in List I with their corresponding events in List II:

List I: (Timeline)
P. Filing a written complaint from the date of incident
Q. Sending a copy of the complaint to the respondent
R. Respondent replying to the complaint after receiving a copy
S. Employer taking action on the recommendations of the IC/LC

List II: (Event)
1. Within 10 working days
2. Within 3 months
3. Within 60 days of receipt of the report
4. Within 7 working days

(A) P-2, Q-4, R-1, S-3
(B) P-3, Q-1, R-4, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-2, Q-1, R-4, S-3

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Oct/Nov 2023

51. In the context of discipline at the workplace, why is the HR policy typically formulated with exceptions for categories like security or telephone operators?
(A) Because they require lower educational qualifications.
(B) Because they are inherently more prone to major misconduct.
(C) Because they do not fall under the purview of natural justice.
(D) Operations requiring continuous twenty-four hour service.

May/June 2012

52. The following scenario relates to vigilance appointments. A Regional Office of a public sector bank needs to appoint a Vigilance Officer. According to CVC directives, what is the minimum rank required for an officer to be appointed as a Vigilance Officer at the Regional/ Zonal level?
(A) Assistant Manager
(B) Branch Manager

of certain employment conditions. Consider the following:

I. They are employed regularly or on daily wage basis.
II. They are employed directly or through a contractor.
III. They are employed with or without the knowledge of the principal employer.
IV. They are employed for remuneration or on a voluntary basis.
V. The terms of employment are expressed or implied.

Which of the above statements are correct?

(A) I, II, IV, and V only
(B) II, III, IV, and V only
(C) I, II, III, and V only
(D) I, II, III, IV, and V

Oct/Nov 2020

67. The following scenario relates to positive discipline. A progressive organisation aims to reform employees rather than punishing them for minor acts of omissions. What is a key step recommended to ensure the promotion of such positive discipline?

(A) Setting impossible standards for employees to strive for
(B) Keeping rules secret until a violation actually occurs
(C) Periodic rule updates to eliminate outdated norms
(D) Exhibiting laxity in implementation to show organizational leniency

May/June 2011

68. In a domestic enquiry, if the charge-sheeted employee does not plead guilty, what happens next in the proceedings?

(A) The enquiry is immediately terminated and sent to the Appellate Authority.
(B) Ask the management to lead supporting evidence.
(C) The defence representative is asked to lead their case first.
(D) The employee is suspended without subsistence allowance.

Oct/Nov 2009

69. Which of the following statements about the Internal Committee's Presiding Officer is incorrect?

(A) The Presiding Officer must be a woman employed at a senior level at the workplace.
(B) The Presiding Officer is selected from amongst the employees.
(C) The Presiding Officer counts towards the minimum of 3 members required to be present for conducting an inquiry.
(D) The Presiding Officer must be an external member from an NGO.

May/June 2017

70. Consider the following list of penalties:

I. Censure
II. Reduction to a lower grade or post
III. Compulsory retirement
IV. Dismissal which shall ordinarily be a disqualification for future employment
V. Withholding of increments of pay with or without cumulative effect

Which of the above constitute 'Major Penalties' under the Officer-employees Discipline and Appeal Regulations?

(A) II, III, and IV only
(B) I, II, and V only
(C) III, IV, and V only
(D) II, IV, and V only

Oct/Nov 2015

71. Consider the following acts:

I. Unwanted invitations to go out on dates.
II. Making or threatening retaliation after a negative response to sexual advances.
III. Suggesting a formal performance review based on sales targets.
IV. Subtle innuendoes or open taunting regarding physical appearance.

Which of the above statements are correct regarding illustrations amounting to sexual harassment at work?

(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2008

72. Consider the following rules:

I. No man should be a judge in their own cause.
II. No one should be condemned unheard.
III. Documents relied upon for proving the charge should be kept secret from the employee.
IV. The punishment to be imposed should

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May/June 2013

60. Under the POSH Act, 2013, what is the mandatory time period within which the Internal Committee must complete its inquiry?
(A) 30 days
(B) 60 days
(C) 90 days
(D) 120 days

Oct/Nov 2025

61. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): In domestic enquiries, the provisions of the Evidence Act, 1872 strictly apply and govern all procedural aspects.
Reason (R): Domestic enquiry is a quasi-judicial proceeding, so it follows courts' exact evidentiary procedures.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, and Reason (R) is false.

May/June 2016

62. Match the POSH Act provision in List I with its specific detail in List II:
List I: (Provision)
P. Breach of confidentiality penalty
Q. Internal Committee term
R. Time to file a complaint
S. Time to issue Inquiry report
List II: (Detail)
1. Within 3 months of the date of the incident.
2. Rs. 5000 fine.
3. Within 10 days from the date of completion of inquiry.
4. Shall not exceed 3 years.
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-3, Q-4, R-2, S-1

Oct/Nov 2012

63. Regarding staff accountability in banks, which of the following statements is incorrect?
(A) The exercise of staff accountability should demotivate staff members to ensure strict compliance.
(B) The objective is not to punish staff whose actions are found bonafide and without dereliction of duty.
(C) Almost all banks state that staff taking bonafide decisions will be protected.
(D) Past history of major vigilance cases and general conduct should be taken into consideration.

May/June 2009

64. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): The Internal Committee has the power to order recovery of compensation as an arrear of land revenue to the concerned District Officer.
Reason (R): This power is exercised in the event that the respondent fails to pay the required compensation sum to the aggrieved woman.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

65. Cyber criminals use specific methods to compromise bank systems. Which of the following is NOT mentioned as a tactic used by attackers?
(A) Tellers intentionally distributing counterfeit currency
(B) Sending phishing emails to bank staff
(C) Using credential stuffing on bank portals
(D) Setting up fake banking replica websites

May/June 2023

66. According to the POSH Act, women employees are protected from sexual harassment regardless

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(C) General Manager
(D) Chief Manager

Oct/Nov 2017

53. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 came into force from which date?
(A) 3 September 2012
(B) 26 February 2013
(C) 23 April 2013
(D) 9 December 2013

May/June 2021

54. Match the entity or role in List I with its responsibility or definition under the POSH Act in List II:
List I: (Entity/Role)
P. Local Committee (LC)
Q. Internal Committee (IC)
R. District Officer
S. Employer
List II: (Responsibility/Definition)
1. Responsible for providing a safe working environment in the workplace.
2. Required to be constituted at each office or branch with 10 or more employees.
3. Responsible for hearing complaints from workplaces that have fewer than 10 employees.
4. Required to constitute a Local Complaints Committee at each district.
(A) P-3, Q-2, R-4, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-4, Q-1, R-3, S-2
(D) P-1, Q-4, R-2, S-3

Oct/Nov 2008

55. Under the POSH Act, Section 2(n) defines 'Sexual harassment' to include all of the following unwelcome acts, EXCEPT:
(A) Voluntary and consensual social interactions
(B) Physical contact and sexual advances
(C) Making sexually coloured remarks
(D) Showing offensive pornography

May/June 2007

56. What is the most effective preventive measure against the risk of misuse of delegated financial powers?
(A) Training, procedural checks, and early default monitoring
(B) Centralizing all powers with the Managing Director
(C) Firing any employee who proposes a loan that defaults
(D) Eliminating all retail lending from the bank portfolio

Oct/Nov 2019

57. Which of the following statements regarding the dissemination of information under the POSH Act is correct?
(A) Sharing results without disclosing participant identities
(B) Inviting the media to the final Internal Committee proceedings
(C) Prohibiting the dissemination of any information regarding justice
(D) Publishing the names and addresses of witnesses once finalized

May/June 2024

58. The following scenario illustrates a specific workplace issue. A supervisor at a bank branch requests sexual favours from a junior employee in return for a promotion. If the junior refuses, the supervisor threatens to sack her. Under the provided legal definitions, this specific scenario is an example of:
(A) Quid pro quo sexual harassment
(B) Negative Discipline
(C) Cyber Crime
(D) Preventive vigilance

Oct/Nov 2010

59. The following case involves victim compensation. An aggrieved woman employee files a sexual harassment complaint under the POSH Act. To determine the compensation payable to her, the Internal Committee must consider certain factors. Which of the following is NOT listed as a factor to be considered for determining compensation?
(A) The mental trauma, pain, and suffering caused to the aggrieved employee.
(B) Medical expenses incurred by the victim for psychiatric treatment.
(C) The academic qualifications of the aggrieved woman.
(D) The income and status of the alleged perpetrator.

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be commensurate with the nature of the misconduct.

Which of the above statement(s) is/are correct regarding the principles of natural justice?

(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2016

73. The following case describes operational differences in banks. A customer claims that a bank clerk paid out short cash over the counter. This incident is investigated under the category of bank fraud. In new generation banks without unions, how is the extent of manual frauds handled?

(A) By creating new unions to defend the staff.
(B) By reducing mechanisation to increase personal accountability.
(C) Frauds are completely ignored because the ownership does not rest with the Government.
(D) Mechanised procedures with minimal manual handling.

May/June 2014

74. Match the IT security strategies against bank cyber attacks in List I with their descriptions in List II:

List I: (Security Strategy)
P. Network segmentation
Q. Enterprise-wide security policy
R. Security policy enforcement
S. Carbanak malware

List II: (Description)
1. A massive cyber criminal ring that infiltrated over 100 banks stealing up to $1 billion.
2. Validating that security configurations are approved and enforced across the network.
3. A well-defined road map determining the best way for the network to operate with minimal risk.
4. Limits the ability for a hacker to move laterally across a compromised network.

(A) P-4, Q-3, R-2, S-1
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-1, R-3, S-2
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2024

75. Match the term related to dealing with Sexual Harassment in List I with its context in List II:

List I: (Term)
P. Vishakha Guidelines
Q. Frivolous Complaints
R. External Member
S. Open door policy

List II: (Context)
1. A practice encouraged by Internal Committees to clarify doubts and ask questions.
2. From an NGO or association committed to the cause of women.
3. Superseded by the POSH Act 2013.
4. Mere inability to substantiate a complaint does not mean the complaint falls under this category.

(A) P-3, Q-4, R-2, S-1
(B) P-4, Q-3, R-1, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-1, Q-4, R-3, S-2

May/June 2006

76. The following scenario describes a management process. A bank employee commits a minor misconduct due to a poor understanding of a new operational procedure. The manager, noticing the act was of minor nature, decides to listen to the employee, explain the rules, and give necessary advice without inflicting punishment. This process is known as:

(A) Domestic Enquiry
(B) Negative Discipline
(C) Preventive Vigilance
(D) Employee Counseling

Oct/Nov 2018

77. The following scenario illustrates an act of harassment. A male supervisor explicitly suggests sexual favours in return for a promotion decision regarding a female subordinate. What type of sexual harassment does this represent according to the POSH Act concepts?

(A) Frivolous complaint
(B) Cyber bullying
(C) False evidence
(D) Quid pro quo harassment

May/June 2020

78. Match the disciplinary rule provision in List I with the correct category or staff in List II:

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List I: (Rule/Provision)
P. First Bi-Partite Settlement (Chapter 19)
Q. Officer Employees' (Conduct) Regulations
R. Minor Penalties for Officers
S. Major Penalties for Officers
List II: (Category/Staff)
1. Includes compulsory retirement and removal from service.
2. Applies to award staff.
3. Includes censure and withholding of increments.
4. Applies to managerial staff of public sector banks.
(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-1, R-2, S-4

Oct/Nov 2021

79. Consider the following statements regarding employers' responsibilities under the POSH Act:
I. Employers must organise periodic sensitisation workshops for all their employees.
II. The mandate to provide a safe working environment is limited strictly to the official workplace and excludes third-party sites visited by employees.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2015

80. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): During a domestic enquiry, the venue should generally be the exact place where the misconduct took place.
Reason (R): Conducting the enquiry elsewhere might inconvenience the charge-sheeted employee.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

81. In an organisation without specific service rules, a respondent is found guilty of sexual harassment by the Internal Committee. Which of the following disciplinary actions can the employer legally take based on the POSH Act guidelines?
(A) Transfer the aggrieved woman to a remote branch without her consent.
(B) Demand a fine of Rs. 50,000 from the Internal Committee members.
(C) Withhold promotion or require community service.
(D) Send the respondent to a police lock-up directly for two weeks.

May/June 2019

82. An award staff member in a public sector bank is facing criminal prosecution for an offence involving moral turpitude. The bank decides to wait before dealing with him departmentally. According to bi-partite rules, if the employee is not put on trial within what period from the commission of the offence, may the management deal with him as if he had committed an act of gross misconduct?
(A) Three months
(B) Six months
(C) One year
(D) Two years

Oct/Nov 2013

83. Why are cyber attacks via phishing emails considered immensely successful against banks?
(A) Because banks lack entirely any IT infrastructure.
(B) Because bank employees willingly sell their passwords on the dark web.
(C) Because phishing relies on physical casing of the bank branches.
(D) Convincing messages designed to trick bank employees.

May/June 2022

84. Consider the following grounds:
I. Mental trauma and emotional distress.
II. Loss in career opportunity due to the incident.
III. Feasibility of such payment in lump sum or

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instalments.
IV. The religious background of the alleged perpetrator.
Which of the above statements are correct regarding valid grounds for determining compensation for a victim of sexual harassment under the POSH Act?
(A) I, II, and IV only
(B) I, II, and III only
(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2014

85. Consider the following statements regarding the Defence Representative's role in a bank domestic enquiry:
I. There can be multiple representatives for each employee.
II. The accused employee can produce documents and witnesses well in advance.
III. The accused employee will submit a brief to the Enquiry Officer after going through the prosecution brief.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2025

86. Match the type of punishment or principle in List I with its description in List II:
List I: (Punishment/Principle)
P. Dismissal
Q. Counseling
R. Positive Discipline
S. Principles of Natural Justice
List II: (Description)
1. Results in team spirit, mutual respect, and high morale.
2. The harshest punishment, effectively the economic death of the employee.
3. Protects the rights of the individual, ensuring reasonable opportunity to be heard.
4. An elaborate process to guide the employee the right way without inflicting punishment.
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-2, Q-1, R-4, S-3
(D) P-1, Q-3, R-2, S-4

Oct/Nov 2006

87. All of the following are powers vested in the Internal Committee (IC) under the Code of Civil Procedure, 1908 when trying a suit, EXCEPT:
(A) Summoning and enforcing the attendance of any person.
(B) Passing a final sentence of three years imprisonment.
(C) Examining a person on oath.
(D) Requiring the discovery and production of documents.

May/June 2010

88. The following scenario relates to disciplinary responses. Mr. A, a bank officer, is issued a statement of allegations along with articles of charge. The disciplinary authority asks him to submit his written statement of defence. If Mr. A fails to submit this statement within the stipulated period, what is the immediate next step the disciplinary authority may take?
(A) Suspend Mr. A without pay indefinitely.
(B) Appoint an authority to conduct the formal enquiry.
(C) Directly impose the penalty of dismissal.
(D) Approach the local police to arrest Mr. A.

Oct/Nov 2022

89. The following scenario relates to the definition of a workplace. A female employee travels in a transport vehicle provided by her company to visit a client site. During the journey, a male colleague makes sexually coloured remarks. Does the POSH Act cover this incident?
(A) No, as the physical office building was not the venue.
(B) Yes, transport provided by employers is included.
(C) No, as the client site represents unorganised sector space.
(D) Yes, but only if transportation occurred via public transit.

May/June 2005

90. The following scenario relates to enquiry attendance. An enquiry officer schedules a domestic enquiry. The charge-sheeted employee fails to attend the proceedings on the specified date and time. What is the most advisable course of action for the enquiry officer based on guiding principles?
(A) Adjourn and notify with proof of delivery.

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(B) Evidence Act 1872 — Mandatory enquiry cross-examination procedure
(C) Hot Stove Rule — Explanation for the existence of the CVC
(D) Vishakha Guidelines — Supreme Court directive on sexual harassment

Oct/Nov 2013

41. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): Disciplinary action delay can do positive harm to the organisation and affect the morale of other law-abiding workers.
Reason (R): The 'Hot Stove Theory' emphasizes that there should be no undue time-lag in the action and effect in matters of discipline.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

42. Consider the following statements regarding the Central Vigilance Commission (CVC):
I. The CVC consists of a Central Vigilance Commissioner and not more than two Vigilance Commissioners.
II. The Chief Vigilance Officers (CVOs) in banks come under the administrative control of the bank management and not the CVC.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2014

43. Which of the following is an incorrect statement regarding the May 2016 amendment to the POSH Act?
(A) The nomenclature 'Internal Complaints Committee' was changed to 'Internal Committee'.
(B) The role of the sexual harassment Committees was strictly restricted only to complaint resolution and excluded prevention.
(C) The nomenclature 'Local Complaints Committee' was changed to 'Local Committee'.
(D) The Internal Committee is expected to constantly work towards building a safe, secure, and conducive workplace.

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May/June 2025

44. Consider the following statements regarding the POSH Act, 2013:
I. It superseded the Vishakha Guidelines for prevention of sexual harassment.
II. The Internal Complaints Committee is mandatory at each office or branch with 10 or more employees.
III. The Complaints Committees have the powers of civil courts for gathering evidence.
IV. The Act does not cover non-traditional workplaces which involve tele-commuting.
Which of the above statements are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

Oct/Nov 2006

45. The following scenario relates to repeated violations. An employer contravenes the provisions of the POSH Act for a second time. What penalty may the employer face for this repeated violation?
(A) Sending an apology letter to the Women and Child Ministry
(B) Twice the punishment (fine) or cancellation of their license/registration
(C) Immediate imprisonment of the head of the organization
(D) Paying a fixed penalty sum of Rs. 5,000 only

May/June 2010

46. Match the level of management in List I with their corresponding typical authority in a bank in List II:
List I: (Management Level)
P. Top Management
Q. Senior Management
R. Middle Management
S. Junior Management
List II: (Authority/Function)

(A) The DA may conduct the enquiry themselves or appoint another officer as an Enquiry Officer.
(B) The DA is strictly prohibited from participating in any part of the formal enquiry process.
(C) The enquiry officer must always be an external professional lawyer.
(D) The DA's role is restricted only to the appointment of the Management Representative.

May/June 2007

98. Consider the following statements with reference to the review of penalties for officer-employees in banks:
I. The reviewing authority can call for records within six months of the date of the final order.
II. The reviewing authority may pass such orders as it may deem fit.
III. The reviewing authority cannot enhance the penalty under any circumstances.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2019

99. Consider the following behaviours:
I. Staring or leering
II. Sexually explicit pictures or posters
III. Intrusive questions about a person's private life or body
IV. Unnecessary familiarity, such as deliberately brushing up against a person
V. Insults or taunts based on sex
Which of the above statements are correct regarding sexually harassing behaviour under the Sex Discrimination Act 1984?
(A) I, II, IV, and V only
(B) I, III, IV, and V only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2024

100. Which of the following is an incorrect pair regarding the forms of sexually harassing behaviour?
(A) Physical conduct — Unwanted touching, assault, impeding or blocking movements.
(B) Visual conduct — Displaying pornographic or sexually offensive material.
(C) Verbal conduct — Sexually tinted remarks, whistling, or obscene jokes.
(D) Environmental conduct — Adhering to the clean desk policy.

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handle sensitive investigations, they must hold at least the rank of Chief Manager. This ensures that the vigilance function is managed by senior, capable personnel.

53. (D) 9 December 2013
The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act was passed in 2013. While it received presidential assent earlier in the year, the Act and its corresponding rules officially came into force on the 9th of December 2013. This date marked a significant milestone in Indian labour law, providing a statutory framework for protecting women at work.

54. (A) P-3, Q-2, R-4, S-1
Responsibilities under the POSH Act are distributed among various entities. The employer provides a safe working environment. The Internal Committee must be formed in offices with ten or more employees. For smaller workplaces, the Local Committee hears complaints. The District Officer is responsible for constituting these Local Committees at the district level to ensure coverage for all workers.

55. (A) Voluntary and consensual social interactions
Section 2(n) of the POSH Act defines sexual harassment through a list of unwelcome acts, such as physical contact, sexually coloured remarks, and showing pornography. These acts are characterized by their unwelcome nature. Voluntary and consensual social interactions between adults are not considered sexual harassment, as they do not involve the coercive or offensive elements that the Act aims to prohibit.

56. (A) Training, procedural checks, and early default monitoring
To mitigate risks associated with delegated financial powers, banks rely on a combination of preventive strategies. Comprehensive training ensures staff understand their responsibilities, while procedural checks provide oversight of decisions. Early default monitoring allows the bank to identify and address problematic loans before they become significant losses. These measures balance operational efficiency with necessary risk controls in the lending process.

57. (A) Sharing results without disclosing participant identities
The POSH Act mandates strict confidentiality regarding the details of sexual harassment cases. While the results or statistics of cases can be shared for awareness or reporting purposes, the identities of the complainant, respondent, and witnesses must never be disclosed. This protects the privacy and safety of the individuals involved while allowing the organisation to track and report on compliance.

58. (A) Quid pro quo sexual harassment
The scenario where a supervisor demands sexual favours in exchange for professional benefits, like a promotion, is a classic example of quid pro quo sexual harassment. This term literally means "this for that." It occurs when employment decisions are made contingent upon the submission to or rejection of unwelcome sexual advances, representing a direct abuse of power within the workplace.

59. (C) The academic qualifications of the aggrieved woman.
When determining compensation for a victim of sexual harassment, the Internal Committee considers the mental trauma, medical expenses for treatment, and any loss in career opportunities. The income and status of the respondent are also taken into account. However, the academic qualifications of the aggrieved woman are irrelevant to the suffering caused by harassment and are not a factor in calculating compensation.

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60. (C) 90 days
The POSH Act establishes a clear timeline for the completion of investigations into complaints. The Internal Committee is required to complete its inquiry within ninety days from the date of commencement. This ensures that matters are resolved promptly, reducing the period of uncertainty and distress for both the complainant and the respondent while maintaining the efficiency of the redressal process.

61. (D) Assertion (A) is false, and Reason (R) is false.
Domestic enquiries are quasi-judicial proceedings and are not strictly governed by the Evidence Act, 1872 or the Code of Criminal Procedure. While the principles of natural justice must be followed, the formal and rigid evidentiary rules used in

receives damages rather than reinstatement to their position.

9. (B) Only II
The Disciplinary Authority is not obligated to blindly accept the enquiry officer's findings. If the authority disagrees with the report, it must record its own findings along with detailed reasons for the disagreement. In such cases, the employee must be given a fair opportunity to represent their side before a final decision is made on the matter.

10. (C) Secret examination of witnesses to hide identities.
Principles of Natural Justice include the right to be heard and the requirement for an unbiased judge. These principles mandate that no person should be a judge in their own cause and that punishments should be proportionate. Secretly examining witnesses violates these rules, as the accused must have the opportunity to cross-examine those testifying against them during proceedings.

11. (A) I and II only
Modern cyber criminals primarily use digital tactics like phishing emails and fake websites to compromise banking systems. Phishing involves tricking employees into revealing credentials, while replica websites deceive consumers into providing sensitive financial information. Unlike traditional bank robberies involving physical vault breaches, these digital methods allow attackers to steal massive amounts of money and data remotely and efficiently.

12. (B) Staff Accountability Policy
Following directives from the Reserve Bank of India, banks have implemented a Staff Accountability Policy. This policy provides a framework for evaluating employee actions, especially in cases of financial loss or procedural lapses. The goal is to distinguish between genuine business failures and acts of negligence or misconduct, thereby ensuring fair treatment while maintaining rigorous standards of banking operations.

13. (A) The charge-sheet or articles of charge.
The scope of a domestic enquiry is strictly limited to the specific allegations mentioned in the charge-sheet or articles of charge. The enquiry officer cannot investigate matters outside these documents. This ensures that the accused employee knows exactly what they are being tried for and can prepare an appropriate defence against the specific charges leveled by the management.

14. (A) 2, 4, 1, 3
Disciplinary action against award staff follows a structured sequence to ensure fairness. First, a charge-sheet is issued to explain the circumstances. Second, the employee is given time to provide an explanation. Third, a departmental enquiry is conducted if necessary. Finally, the employee is allowed to cross-examine witnesses and produce evidence to defend themselves against the established charges.

15. (D) Staff education combined with full work computerisation
Preventing bank fraud effectively requires a dual approach involving technology and human awareness. Full work computerisation reduces opportunities for manual manipulation and enhances tracking capabilities. Simultaneously, continuous staff education ensures that employees recognize potential threats and follow established security protocols. Together, these measures create a robust defense system that is significantly more effective than purely punitive or manual methods.

16. (A) Voluntary acceptance of organizational norms out of conviction
Disciplined behaviour in a professional setting is most effective when it stems from a voluntary acceptance of organisational norms. When employees are convinced of the value of these rules, they adhere to them without the need for constant supervision or fear of punishment. This positive approach fosters a culture of mutual trust, high morale, and collective responsibility.

17. (A) The request must be referred to the Disciplinary Authority for approval.
In a domestic enquiry, a charge-sheeted employee does not have an automatic right to be defended by a lawyer. If an employee wishes to use legal counsel, the request must be submitted to the Disciplinary Authority. The authority evaluates the complexity of the case and the status of the

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significant and lasting impacts on an officer's career and future employment prospects. Minor penalties, by contrast, include measures such as censure or the withholding of increments, which are considered less severe forms of disciplinary action within the bank.

71. (B) I, II, and IV only
Sexual harassment includes unwanted social invitations, threats of retaliation following rejected advances, and innuendoes about physical appearance. These behaviours create a hostile environment and violate personal dignity. In contrast, suggesting a formal performance review based on objective sales targets is a standard management function and does not constitute sexual harassment, provided it is conducted professionally and without inappropriate conduct.

72. (B) I, II, and IV only
Natural justice requires that a judge be impartial and that the accused be given a fair hearing. Furthermore, any punishment imposed must be proportionate to the misconduct. Hiding documents used as evidence from the employee violates these principles, as the accused has a right to know the evidence against them to prepare an adequate defense during the enquiry process.

73. (D) Mechanised procedures with minimal manual handling.
New generation banks typically lack the large unions found in traditional public sector banks. To minimize manual frauds and short cash claims, these institutions rely heavily on mechanised procedures. By reducing the amount of manual handling in transactions, they use technology to provide better tracking and security, thereby lowering the risk of human error or intentional dishonesty during cash operations.

74. (A) P-4, Q-3, R-2, S-1
Network security involves multiple layers of defense. Segmentation limits lateral movement by attackers. An enterprise-wide policy provides a roadmap for secure operations. Policy enforcement ensures that all configurations are correctly applied. The Carbanak malware serves as a historical example of a massive cyber criminal operation that successfully targeted numerous banks by exploiting vulnerabilities in their digital systems.

75. (A) P-3, Q-4, R-2, S-1
The Vishakha Guidelines were the precursor to the POSH Act. Frivolous complaints are those made with malicious intent, though mere lack of proof doesn't qualify a complaint as such. The external member of an IC provides an outside perspective on women's issues. An open-door policy is encouraged to allow employees to seek clarification and report concerns in a supportive environment.

76. (D) Employee Counseling
When a manager addresses minor misconduct by listening to the employee, explaining the rules, and providing advice instead of punishment, the process is known as employee counseling. This approach aims to correct behaviour through guidance and education. It is an informal, reformative method used to improve performance and adherence to procedures without the need for a formal disciplinary enquiry.

77. (D) Quid pro quo harassment
A supervisor explicitly linking a professional promotion to the granting of sexual favours is engaging in quid pro quo harassment. This form of harassment involves a "this for that" exchange where employment benefits are used as leverage to coerce a subordinate into sexual acts. It is a severe violation of professional ethics and is strictly prohibited under the POSH Act.

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78. (A) P-2, Q-4, R-3, S-1
Disciplinary rules in banks are divided by staff category. Award staff are governed by the First Bi-Partite Settlement. Managerial staff in public sector banks follow the Officer Employees' (Conduct) Regulations. For these officers, minor penalties include censure and withholding increments, while major penalties consist of more severe actions like compulsory retirement or removal from the bank's service.

79. (A) Only I
Employers are legally required to organize periodic sensitisation workshops to educate employees about sexual harassment prevention. Contrary to being limited to the physical office, the responsibility to provide a safe working

26. (C) Punitive discipline ensures maximum adherence to rules out of mutual trust and openness.
Positive discipline relies on team spirit and voluntary cooperation, fostering an environment of mutual trust. In contrast, negative discipline uses threats and punishment to force compliance. Punitive discipline is a form of negative discipline that drives adherence through fear rather than openness. Therefore, the claim that punitive discipline creates adherence through trust and openness is fundamentally incorrect and contradictory.

27. (A) Deception intended for financial or personal gain
Fraud in the banking sector is defined as a deceptive act performed with the intent to secure an unfair or unlawful financial or personal advantage. It involves intentional misrepresentation, concealment of facts, or abuse of position. Unlike accidental errors or procedural deviations, fraud always includes a conscious element of dishonesty aimed at causing loss to the bank or a customer.

28. (A) I and II only
Counseling is a proactive management tool used to correct minor behavioural issues without resorting to formal punishment. It involves a superior listening intently to the employee and educating them about the rules. The goal is improvement rather than discipline. Unlike a formal enquiry, counseling does not invariably lead to punishment, as its primary purpose is guidance and professional development.

29. (A) 2, 1, 4, 3
A domestic enquiry proceeds through several logical steps. First, the employee is asked if they plead guilty. If not, the management representative leads the case by presenting witnesses. Next, the employee is given the chance to cross-examine these witnesses. Finally, the defence is invited to present its case and evidence to rebut the charges brought by the management.

30. (A) I, II, and III only
A formal enquiry is not required for award staff if the employee voluntarily admits the misconduct or if the proposed punishment is only a warning or censure. Additionally, an enquiry may be skipped if the bank does not intend to dismiss the employee even if the minor misconduct is proved. Membership in a trade union does not exempt an employee.

31. (C) Reservations prescribed by the Constitution of India
Public Sector Banks operate as equal opportunity employers, meaning they do not discriminate based on community, caste, or gender. However, they must adhere to the reservation policies prescribed by the Constitution of India. These reservations for specific categories are legal requirements and are not considered discriminatory under the framework of social justice and affirmative action mandated for public institutions.

32. (D) I, II, III, IV, and V
Under the POSH Act, sexual harassment includes various coercive behaviours. Implied or explicit promises of preferential treatment or threats of detrimental treatment regarding employment status are key indicators. Additionally, creating an intimidating or hostile work environment and humiliating treatment that affects a woman's health or safety are all recognized as acts that constitute sexual harassment in a professional setting.

33. (B) All small and retail loans require the direct sanction of a Top Management Committee.
In banking, financial powers are delegated across different management levels to ensure operational efficiency. While top management handles strategy and large-scale sanctions, junior management is responsible for processing loan applications. Small and retail loans are typically sanctioned at lower levels of the hierarchy. The claim that all small loans require top-level committee sanction is incorrect as it contradicts the principle of delegation.

34. (D) Disciplinary action per the organization's service rules
The POSH Act provides protection against malicious complaints. If the Internal Committee concludes that an allegation was false and made with the knowledge that it was untrue, it can recommend disciplinary action against the complainant. This action is taken in accordance with the organization's existing service rules or

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standing orders, ensuring that the process is not misused for personal vendettas.

35. (D) Assertion (A) is false, and Reason (R) is false.
The definition of an "aggrieved woman" under the POSH Act is not limited to regular employees in the organised sector. It is an inclusive definition that covers women of all ages, whether employed or not, who allege to have been subjected to sexual harassment. The Act extends beyond traditional relationships to include students, patients, and visitors in both organised and unorganised sectors.

36. (B) Three years
Section 354A of the Indian Penal Code specifically deals with the offence of sexual harassment. It defines various acts, including physical contact and demanding sexual favours. Depending on the nature of the specific act committed, a man found guilty under this section can face a term of rigorous imprisonment, which may extend up to a maximum of three years.

37. (A) Network segmentation through the creation of network zones
To mitigate the impact of a security breach, IT teams use network segmentation. By dividing the network into distinct zones, they can contain an intruder within a specific area. This prevents the hacker from moving laterally across the entire system to access more sensitive data. It is a critical strategy in a zero-trust environment where a breach is assumed.

38. (C) Rs. 50,000
Employers have a legal obligation to comply with the provisions of the POSH Act, including the constitution of an Internal Committee. Failure to do so constitutes a contravention of the law. For the first such instance of non-compliance, the Act prescribes a penalty in the form of a fine that can reach a maximum of fifty thousand rupees.

39. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Information related to workplace sexual harassment is strictly confidential and exempt from the Right to Information Act. This protection is necessary to maintain the privacy of the parties involved and to prevent further trauma to the complainant. The POSH Act mandates that details regarding the complaint, identities, and inquiry proceedings must not be published or disclosed to the public.

40. (D) Vishakha Guidelines — Supreme Court directive on sexual harassment
The Vishakha Guidelines were issued by the Supreme Court of India in 1997 to address the absence of legislation regarding sexual harassment at the workplace. These guidelines served as the primary legal framework until the enactment of the POSH Act in 2013. Other pairs are incorrect because the Evidence Act and Criminal Procedure Code do not strictly govern domestic enquiries.

41. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Delays in taking disciplinary action can undermine organisational morale and suggest that misconduct is tolerated. This aligns with the 'Hot Stove Theory', which posits that discipline should be immediate to be effective. When action follows the offence closely, employees clearly associate the penalty with the violation, ensuring that the disciplinary process serves as a meaningful deterrent for others.

42. (C) Both I and II
The Central Vigilance Commission is comprised of a Central Vigilance Commissioner and a maximum of two Vigilance Commissioners. While the CVC provides overall guidance, the Chief Vigilance Officers (CVOs) within individual banks are under the administrative control of their respective bank managements. This structure allows the CVC to maintain oversight while the banks manage their internal vigilance functions day-to-day.

43. (B) The role of the sexual harassment Committees was strictly restricted only to complaint resolution and excluded prevention.
The May 2016 amendment to the POSH Act updated the nomenclature of the committees. Importantly, the Internal Committee's role is not limited to resolving complaints. It is also responsible for the prevention of sexual harassment and for creating a safe, secure workplace. Restricting the committee's function

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solely to resolution would ignore the vital preventative mandate established by the law.

44. (A) I, II, and III only
The POSH Act replaced the Vishakha Guidelines and made Internal Committees mandatory for workplaces with ten or more employees. These committees possess civil court powers for evidence gathering. Contrary to being limited to traditional offices, the Act's broad definition of "workplace" includes tele-commuting and any location an employee visits during the course of their employment, including remote work sites.

45. (B) Twice the punishment (fine) or cancellation of their license/registration
If an employer contravenes the POSH Act for a second time, the penalties become significantly more severe. The employer may be liable for twice the original fine amount. Furthermore, the authorities have the power to cancel the organisation's business license or registration. These stringent measures emphasize the legal importance of maintaining a harassment-free work environment through consistent compliance.

46. (A) P-3, Q-4, R-1, S-2
Management levels in banks correspond to specific authorities. Top management focuses on strategy and large loan sanctions. Senior management typically handles retail and wholesale advances at regional levels. Middle management is responsible for retail sanctions at large or medium branches. Junior management's primary function is the processing of loan applications, which serves as the foundation for the credit cycle.

47. (A) I and II only
The Internal Committee must have a balanced composition, with at least half of the members being women. Each member serves a term not exceeding three years. While conducting an inquiry, a minimum of three members, including the Presiding Officer and the external member, must be present. The requirement for five members to be present is not mandated by the Act.

48. (B) Unwelcome sexual advances or offensive sexual conduct
Sexual harassment is legally defined as unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature. The critical element is the "unwelcome" nature of the behaviour, which creates an offensive or hostile work environment. It is not about consensual social interactions but about conduct that undermines the dignity and safety of employees.

49. (A) Only I
Under Section 2(o) of the POSH Act, the definition of "workplace" is extensive. It includes any transportation provided by the employer for commuting to or from work-related locations. Notably, for domestic workers, the term "workplace" specifically includes a house or domestic dwelling. Therefore, the statement excluding domestic dwellings from the definition of a workplace is legally incorrect under the Act.

50. (A) P-2, Q-4, R-1, S-3
The POSH Act prescribes strict timelines for the redressal process. A written complaint must be filed within three months of the incident. The Internal Committee has seven working days to send a copy to the respondent, who then has ten working days to reply. After the final report is submitted, the employer must take action within sixty days of receiving the recommendations.

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51. (D) Operations requiring continuous twenty-four hour service.
HR policies often include specific provisions or exceptions for certain staff categories, such as security personnel or telephone operators. This is because these roles involve operations that require continuous twenty-four-hour service. Standard disciplinary or scheduling rules may need adjustment to accommodate the unique operational demands and shift structures required to maintain essential services around the clock in a bank.

52. (D) Chief Manager
According to directives from the Central Vigilance Commission, the appointment of Vigilance Officers at regional or zonal levels must follow specific rank requirements. To ensure that the officer has sufficient experience and authority to

ANSWERS

1. (D) Boosting officer confidence for fear-free commercial decisions
Examining staff accountability aims to protect employees who make bonafide decisions without any dereliction of duty. By ensuring that honest mistakes do not lead to unnecessary punishment, banks foster an environment where officers feel confident taking commercial risks. This fear-free atmosphere is essential for efficient banking operations and proactive decision-making in financial institutions.

2. (D) I, II, III, IV, and V
A departmental enquiry is a closed-door proceeding where only specific individuals are permitted to attend. These include the enquiry officer, management representative, charge-sheeted employee, and defence representative. Additionally, a typist or stenographer may be present to record the minutes accurately. Maintaining this restricted attendance ensures the confidentiality and integrity of the quasi-judicial process during the hearing.

3. (A) Only I
McGregor's Hot Stove Rule suggests that disciplinary actions should be immediate, consistent, and impersonal. The penalty for violating a rule must be automatic, much like the burning sensation experienced when touching a hot stove. This approach ensures that employees understand the direct consequences of their actions, while maintaining transparency rather than keeping consequences secret or unpredictable.

4. (A) P-2, Q-1, R-4, S-3
In a domestic enquiry, various roles carry specific responsibilities to ensure justice. The Enquiry Officer observes witness demeanour to determine credibility. The Defence Representative works to disprove charges against the employee. The Management Representative leads the case by presenting witnesses. Finally, the Appellate Authority disposes of appeals following rules and natural justice principles to conclude the disciplinary process.

5. (B) It shall still be open for the bank to proceed against him/her departmentally.
When an award staff employee is acquitted in a criminal proceeding, the bank is not automatically barred from taking departmental action. The standard of proof in a court of law is beyond reasonable doubt, whereas departmental enquiries rely on the preponderance of probability. Therefore, the bank can still initiate or continue internal disciplinary proceedings against the employee.

6. (C) 47%
According to the PwC Global Economic Crime Survey conducted in 2020, approximately forty-seven percent of surveyed organisations reported being victims of cyber crime within the previous two years. This statistic highlights the growing prevalence of digital threats in the corporate world. Financial institutions, in particular, face significant risks as they manage large volumes of sensitive customer data.

7. (B) Internal rules, procedures, and ethical codes of conduct
Internal discipline within an organisation primarily encompasses the established rules, standard operating procedures, and ethical codes of conduct. These frameworks guide employee behaviour and ensure operational consistency. While statutory regulations exist, internal discipline focuses on the specific norms adopted by the management to maintain order, integrity, and professional standards within the unique environment of the bank.

8. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In private sector banks, a personal contract of service for managerial staff cannot be enforced through specific performance. This legal position stems from Section 14 of the Specific Relief Act, which prevents the enforcement of contracts involving personal service. Consequently, even if a termination is wrongful, the employee typically

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courts do not apply. This allows for a more flexible process that focuses on fairness rather than strict legal technicalities during the hearing.

62. (A) P-2, Q-4, R-1, S-3
Specific provisions under the POSH Act include a five-thousand-rupee penalty for breaching confidentiality. The term for Internal Committee members is capped at three years. Complaints must generally be filed within three months of the incident. Once an inquiry is completed, the committee is required to issue its final report within ten days to ensure a timely conclusion to the proceedings.

63. (A) The exercise of staff accountability should demotivate staff members to ensure strict compliance.
Staff accountability processes are designed to protect honest employees and promote confident decision-making. The goal is not to demotivate staff but to ensure that those who act in good faith are supported. Punishment is reserved for cases involving negligence or lack of integrity. Claiming that accountability should demotivate staff is incorrect, as it would lead to risk-aversion and operational inefficiency.

64. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
If a respondent fails to pay the compensation ordered by the Internal Committee, the amount can be recovered as an arrear of land revenue. The committee forwards the recovery request to the District Officer to initiate this process. This mechanism ensures that victims receive their compensation even if the respondent is uncooperative, using established legal channels for debt collection.

65. (A) Tellers intentionally distributing counterfeit currency
Cyber criminals utilize various digital tactics such as phishing, credential stuffing, and creating fake replica websites to infiltrate banking systems. These methods target the bank's digital infrastructure and user data. The distribution of counterfeit currency by tellers is a form of physical, manual fraud and is not a tactic used by cyber attackers to compromise electronic systems or remote accounts.

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66. (D) I, II, III, IV, and V
The POSH Act provides broad protection to women in the workplace, regardless of their specific employment status. This includes regular, daily wage, and contract workers, as well as those working voluntarily or for remuneration. Whether the employment terms are express or implied, or even if the work is done without the principal employer's direct knowledge, the legal protections against harassment apply.

67. (C) Periodic rule updates to eliminate outdated norms
To promote positive discipline, an organisation should ensure that its rules are relevant and clearly understood. Periodic updates help eliminate outdated norms that no longer serve the business. This transparency and relevance encourage employees to follow rules willingly out of conviction. By maintaining a fair and current framework, the organisation fosters a culture of voluntary compliance and mutual respect.

68. (B) Ask the management to lead supporting evidence.
In a domestic enquiry, if the charge-sheeted employee pleads not guilty, the burden of proof lies with the management. The enquiry officer then directs the management representative to lead the case by presenting witnesses and documentary evidence. This stage allows the management to establish the basis for the charges before the employee is called upon to present their defense.

69. (D) The Presiding Officer must be an external member from an NGO.
The Presiding Officer of an Internal Committee must be a woman employed at a senior level within the workplace. This role is meant for an internal employee to ensure leadership from within the organisation. While the committee must include an external member from an NGO, that person does not serve as the Presiding Officer. Therefore, the statement claiming otherwise is incorrect.

70. (A) II, III, and IV only
Major penalties under the Officer-employees Discipline and Appeal Regulations include reduction to a lower grade, compulsory retirement, and dismissal. These actions have

Management Representative before deciding whether to grant such permission.

18. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In the banking industry, all frauds are treated with extreme seriousness regardless of the monetary value involved. This is because the core issue is the dishonest intent rather than the specific financial loss. Integrity is fundamental to banking, and any act of dishonesty undermines the trust essential for the institution's functioning, making the small amounts equally significant.

19. (D) The examination of a witness first by the party producing him.
Examination-in-chief is the initial stage of witness testimony in a domestic enquiry. It involves the questioning of a witness by the party that called them to testify. The purpose is to allow the witness to state facts supporting that party's case. Following this stage, the opposing side is given the opportunity to conduct a cross-examination of the witness.

20. (A) Recovery from pay of pecuniary loss caused to the bank — Major penalty
In the disciplinary rules for officer-employees in public sector banks, penalties are categorized as minor or major. Censure, withholding of increments, and reduction to a lower stage in a time scale are typically minor penalties. Conversely, compulsory retirement and dismissal are major penalties. Recovery from pay for pecuniary loss is actually classified as a minor penalty, not a major one.

21. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Financial institutions are primary targets for cyber criminals because they possess vast amounts of liquid capital and sensitive data. Attackers follow the money, and the concentration of wealth in banks makes them highly lucrative. Consequently, banks must invest heavily in advanced security measures to defend against sophisticated digital threats that aim to siphon funds or compromise customer accounts.

22. (B) To err is human, and the employee should be given an opportunity to improve through less harsh punishments.
The Reformative Theory of discipline is based on the idea that employees can learn from their mistakes and improve their conduct. Rather than focusing solely on harsh punishment or dismissal, this approach emphasizes education and corrective action. By providing opportunities for improvement, the organisation aims to transform a delinquent employee into a productive and law-abiding member of the workforce.

23. (D) Chapter 19 of the 1966 First Bi-Partite Settlement
The disciplinary rules governing award staff in the banking industry are rooted in historic tribunal awards. Currently, these regulations are codified within Chapter 19 of the 1966 First Bi-Partite Settlement. This agreement established the procedural framework for handling misconduct, ensuring that employees are protected by standardized rules agreed upon by both the bank management and the representative unions.

24. (D) Issuing a show cause notice for penalty enhancement is required.
The reviewing authority has the power to examine the records of disciplinary proceedings for officer-employees. If the authority intends to enhance a penalty already imposed, it must first issue a show cause notice to the employee. This step ensures that the principles of natural justice are upheld by giving the employee an opportunity to represent their case against the enhancement.

25. (B) A departmental enquiry must be conducted in accordance with the laid down procedure.
Before a major penalty can be imposed on a bank officer, a formal departmental enquiry is mandatory. This process involves serving a charge-sheet, allowing the employee to submit a defense, and conducting a hearing where evidence is presented. This procedural rigour is necessary to ensure fairness and to comply with the legal requirements governing the service of public sector employees.

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environment extends to any place an employee visits during the course of their employment. This includes third-party sites, client offices, and even transport provided by the employer for work.

80. (D) Assertion (A) is false, but Reason (R) is true.
There is no legal requirement that a domestic enquiry must be held at the exact location where the misconduct occurred. The management has the discretion to choose a suitable venue. However, when selecting a location, the convenience of the charge-sheeted employee should be considered to ensure they can attend and participate effectively in the proceedings without undue hardship.

81. (C) Withhold promotion or require community service.
When an organisation does not have specific service rules, the POSH Act provides guidelines for disciplinary actions. If a respondent is found guilty, the employer can take various measures, such as withholding promotion, demanding a written apology, or requiring the respondent to perform community service. These actions aim to punish the misconduct and prevent its recurrence in the workplace.

82. (C) One year
For award staff involved in offences of moral turpitude, the bank may wait for criminal proceedings. However, if the employee is not brought to trial within one year of the commission of the offence, the management is permitted to deal with the matter departmentally. In such cases, the incident is treated as an act of gross misconduct under the bank's service rules.

83. (D) Convincing messages designed to trick bank employees.
Phishing attacks are highly successful because they use sophisticated social engineering. Attackers create convincing emails that appear to be from legitimate sources, tricking employees into clicking malicious links or sharing credentials. These messages are designed to exploit human psychology rather than technical flaws. Once an employee is deceived, the attacker gains a foothold within the bank's secure network to steal data.

84. (B) I, II, and III only
Valid grounds for determining compensation under the POSH Act include the victim's mental trauma, emotional distress, and any loss of career opportunities caused by the incident. The feasibility of the respondent making the payment is also considered. Personal factors such as the religious background of the perpetrator are not legal or relevant considerations in determining the appropriate compensation for the victim.

85. (B) II and III only
In a domestic enquiry, the charge-sheeted employee is typically allowed only one representative. This representative helps produce documents and witnesses to build a defense. After the management presents its brief, the defence has the right to submit a written brief to the enquiry officer. This structure ensures that the employee has a fair chance to rebut the prosecution's case.

86. (A) P-2, Q-4, R-1, S-3
Different disciplinary concepts serve distinct purposes. Dismissal is the most severe penalty, ending an employee's career. Counseling is a guidance process aimed at correction. Positive discipline fosters high morale and voluntary compliance through mutual respect. Principles of natural justice ensure that individuals are protected by being given a reasonable opportunity to be heard before any disciplinary decision is finalized.

NODIA

87. (B) Passing a final sentence of three years imprisonment.
The Internal Committee has the powers of a civil court for specific tasks like summoning witnesses and requiring the production of documents. However, it is not a criminal court and does not have the authority to impose prison sentences. Any criminal penalties for sexual harassment must be sought through the legal system under the Indian Penal Code, rather than through the IC.

88. (B) Appoint an authority to conduct the formal enquiry.
If a bank officer fails to submit a written statement of defense within the allowed time, the disciplinary authority does not automatically issue a penalty. Instead, the process moves

Oct/Nov 2010

41. Read the following assertion and reason, and select the correct option:
Assertion (A): Work From Home enables organizations to save considerable expenses on account of health, hospitalization, and utility bills.
Reason (R): WFH allows employees to keep themselves healthier and fit by utilizing the commute time for exercise, sleep, and preparing healthier meals.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

42. Read the following scenario and answer the question.
A software firm sets up a dedicated sleep room and a creative breakout area where employees can organize gaming sessions. This organizational move is an execution of which strategy?
(A) Stimulating Career Development
(B) Promoting Team Work
(C) Creating a Fascinating Work Environment
(D) Inclusive Mentoring

Oct/Nov 2022

43. Read the following statements regarding the differences in the working style of Gen Y compared to previous generations:
I. They focus mainly on procedures and compliance rather than results.
II. They demand higher responsibility and meaningful work.
III. They are prone to take risks and want to challenge existing traditional systems.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2018

44. Which of the following describes the transition of mentoring in the context of engaging Gen Y employees?
(A) Shifting toward one-way instruction with delayed feedback.
(B) Relying on seniors dictating technology updates to juniors.
(C) Forbidding consultative approaches to ensure discipline.
(D) Using coaching, immediate feedback, and reverse mentoring.

Oct/Nov 2016

45. Read the following list of potential demerits or pitfalls of 'Work From Home':
I. Lack of physical exercise
II. Difficulty in implementing disaster/ business continuity strategy
III. Professional isolation and organisational identification issues
IV. Impaired superior-subordinate relationship
V. Strained Inter-personal Relationships
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2014

46. How is 'Reverse Mentoring' defined as an engagement strategy?
(A) Seniors providing delayed feedback to junior members.
(B) Junior employees teaching technological skills to seniors.
(C) Employees providing feedback strictly to external clients.
(D) Management limiting the progression of all young leaders.

Oct/Nov 2007

47. Virtual work is defined as a professional arrangement where employees perform their jobs through internet connections instead of physically traveling to corporate headquarters. This concept is commonly attributed to researchers such as:
(A) Shuck & Wollard
(B) Liaw, Liang and Wang
(C) Kahn & Tietze
(D) Golden

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97. (A) The DA may conduct the enquiry themselves or appoint another officer as an Enquiry Officer.
The Disciplinary Authority has the power to manage the enquiry process for award staff. They can choose to conduct the hearing personally or delegate this responsibility to another officer by appointing them as the Enquiry Officer. This flexibility allows the bank to manage its internal disciplinary matters efficiently while ensuring that a formal process is followed to investigate the alleged misconduct.

98. (A) I and II only
The reviewing authority has the power to call for disciplinary records within six months of a final order and can pass orders as it sees fit. While the authority has the power to enhance a penalty, it can only do so after giving the officer a reasonable opportunity to show cause against the proposed increase. Thus, the statement that it cannot enhance penalties is incorrect.

99. (D) I, II, III, IV, and V
Under the Sex Discrimination Act 1984, sexual harassment includes a wide range of behaviours such as leering, displaying offensive pictures, and asking intrusive personal questions. Unnecessary physical familiarity and insults based on sex are also included. These acts contribute to an environment that is intimidating or offensive, and the law seeks to prohibit such conduct to ensure equality and safety at work.

100. (D) Environmental conduct — Adhering to the clean desk policy.
Sexual harassment manifests in physical, visual, and verbal forms, such as unwanted touching, displaying pornography, or making obscene jokes. “Environmental conduct” in the context of harassment refers to creating a hostile or offensive work atmosphere through such acts. Adhering to a clean desk policy is a standard administrative requirement and has no relation to sexual harassment or environmental misconduct.

NODIA

CHAPTER 20

Contemporary Employee Engagement Practices

Oct/Nov 2016

1. Identify the incorrect statement among the reported drivers of 'Employee Engagement'.
(A) Collaborative and inspiring leadership acts as a major driver.
(B) Clarity and un-ambiguity in organizational hierarchy fosters engagement.
(C) A culture of meaningfulness and people-centric focus drives engagement.
(D) Ambiguous and highly centralized management styles build trust and respect.

May/June 2005

2. Match the major expectations of organizations in List I with their strategic outcomes for Gen Y employees in List II.
List I: Organizational Expectations
P. Dissemination of contemporary knowledge
Q. Implicit to explicit knowledge conversion
R. Think Tank member
S. Change Agent
List II: Strategic Outcomes
1. Helping traditional employees see reasons for right-sizing their skills.
2. Proactive utilization of innate skills for organizational purposes.
3. Endeavouring to achieve high performance alongside Top Management.
4. Succeeding in bringing needed changes in the business model collaboratively.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2023

3. Read the following statements regarding the concepts of motivation and engagement:
I. Motivation motivates an individual to accomplish certain tasks.
II. Engagement is exclusively about task completion and excludes cognition and performance energy.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2014

4. Identify the correct statement reflecting organizational theory on employee turnover.
(A) Maintaining zero staff turnover to prevent organizational decay.
(B) Hiring the 'best candidate' rather than the 'best match' for roles.
(C) Advocating reasonable attrition levels for self-renewal.
(D) Focusing on job security as the paramount modern concern.

Oct/Nov 2007

5. Read the following statements regarding the characteristics of Gen Y employees:
I. They are freedom-driven and seek flexible schedules.
II. Their loyalty is strictly towards their organization rather than their careers.
III. They are technologically advanced and constantly plugged-in.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2025

6. Read the following statements regarding mentoring strategies for Gen Y:
I. Mentoring for Gen Y focuses solely on a one-way instructional direction and delayed feedback.
II. Reverse mentoring involves junior employees disseminating technological skills to seniors.

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Which of the above statement(s) is/are correct?

(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2019

7. Which of the following defines 'Employee Engagement' as an emergent and working condition that is a positive cognitive, emotional, and behavioral state directed toward organizational outcomes?

(A) The harnessing of organizational members' selves to their work roles.
(B) A positive cognitive, emotional, and behavioral state directed toward organizational outcomes.
(C) A workplace approach where an organization creates conditions for employees to give their best each day.
(D) A psychological state where an employee solely seeks financial incentives and career progression.

May/June 2009

8. What is the primary definition of the term "echo boomers"?

(A) Employees who echo the traditional hierarchical demands of the management.
(B) Children of parents born during the baby boom period.
(C) Workers who prefer analog communication over digital technology.
(D) Leaders who rely solely on irrational thinking.

Oct/Nov 2011

9. Read the following scenario and answer the question.

A junior manager at a financial institution resigns after eighteen months to join a competitor for a more challenging role and a higher salary, feeling no guilt about breaking "life-term employment" traditions. This scenario illustrates which generational trait?

(A) Team-builders
(B) Loyalty re-defined
(C) Technologically advanced
(D) Craves for recognition

May/June 2010

10. Management theory suggests 'Employee Engagement' consists of three core components. Which combination represents these components most appropriately?

(A) Salary, Incentives, and Leave
(B) Authority, Directive control, and Surveillance
(C) Knowledge, Interest, and Performance
(D) Monotony, Fatigue, and Compliance

Oct/Nov 2024

11. Read the following scenario and answer the question.

To avoid boring mandatory meetings, a project team decides to present their updates using a "Mafia movies" theme, dressing up and speaking like characters from a film. This practice implements which specific engagement strategy?

(A) Assigning challenging professional jobs or roles.
(B) Encouraging a high degree of workplace autonomy.
(C) Implementing inclusive mentoring and coaching programs.
(D) Evolving creative knowledge sharing systems.

May/June 2017

12. Read the following scenario and answer the question.

An employee frequently states, "I am dedicated to the success of what I am doing," and "I care about the future of my company." This psychological and behavioral disposition primarily illustrates the concept of:

(A) Employee Motivation
(B) Organizational Decadence
(C) Employee Engagement
(D) Professional Isolation

Oct/Nov 2005

13. Read the following scenario and answer the question.

A newly hired 26-year-old bank executive prefers working flexible hours, heavily utilizes online technology for all tasks, and expects constant feedback. This employee profile best aligns with the characteristics of:

(A) Generation Y
(B) Baby Boomers
(C) Generation X

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forward by appointing an enquiry officer to conduct a formal investigation. This ensures that the charges are properly examined through a hearing, even in the absence of an initial written response from the employee.

89. (B) Yes, transport provided by employers is included.
The POSH Act's definition of "workplace" includes any location an employee visits for work and the transportation provided by the employer for such journeys. Therefore, if harassment occurs in a company vehicle while travelling to a client site, it is covered under the Act. This expansive definition ensures that employees are protected from harassment throughout their professional activities and commutes.

90. (A) Adjourn and notify with proof of delivery.
If a charge-sheeted employee fails to appear for an enquiry, the enquiry officer should not immediately proceed ex-parte. The best course of action is to adjourn the hearing to a later date and send a fresh notice to the employee with proof of delivery. This demonstrates that a reasonable opportunity was provided, upholding the principles of natural justice before any further steps.

91. (B) Providing subsistence allowance during the suspension.
When an award staff employee is suspended pending an enquiry, the bank is generally required to provide a subsistence allowance. This payment is intended to provide the employee with a means of living while they are unable to work during the investigation. The allowance ensures that the employee is not unfairly penalized financially before any misconduct is actually proven through the formal enquiry.

92. (B) Requiring committee sanction for all large loans.
To mitigate the risks associated with delegated authority, banks should implement structural safeguards. Requiring a committee to sanction large loans, rather than a single individual, provides a system of checks and balances. This collective decision-making process reduces the likelihood of fraudulent loans being approved and ensures that significant financial commitments are subject to multiple levels of scrutiny and expert review.

93. (D) The specific person or household employing them.
In the context of domestic work, the POSH Act defines the "employer" as the individual or household that employs the worker. This ensures that domestic workers, who operate in private spaces, have legal recourse against harassment from their direct employers. By identifying the household as the employer, the Act extends professional protections into domestic settings where workers might otherwise be vulnerable.

94. (B) Oral evidence — The statements made by the witness in the enquiry.
Oral evidence consists of the verbal statements made by witnesses during the enquiry proceedings. This is distinguished from documentary evidence, which involves physical records. In a fair enquiry, the charge-sheeted employee must have the opportunity to inspect any documents used against them. Cross-examination is conducted by the opposing party to test the credibility of a witness after their initial testimony.

95. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The POSH Act applies to employees working from home because the definition of "workplace" is broad and includes any place where work is performed. As modern employment evolves to include remote work, the legal protections against sexual harassment follow the employee. Any incident occurring during the course of employment, regardless of the physical location, falls under the jurisdiction of the Act.

96. (B) By January 8th
The POSH Act requires the Internal Committee to act quickly once a complaint is received. Upon receiving a written complaint on January 1st, the committee has a period of seven working days to provide a copy of the allegations to the respondent. This means the copy should be sent by January 8th, allowing the respondent to prepare their reply within the legal timeframe.

NODIA

III. Generation X
(A) II, III, I
(B) I, II, III
(C) III, II, I
(D) II, I, III

Oct/Nov 2017

21. What is the most appropriate way for organizations to facilitate the career development of Gen Y employees?
(A) Requiring long waiting periods for promotional opportunities.
(B) Providing formal learning through rigid, step-by-step logic.
(C) Encouraging individuals to design and own their career paths.
(D) Eliminating early-career mobility to master rudimentary tasks.

May/June 2008

22. Which researcher conceptualized engagement at work as the harnessing of organizational members' selves to their work roles?
(A) Shuck & Wollard
(B) Kahn
(C) Kular et al.
(D) Vineet Nayar

Oct/Nov 2013

23. Identify the correct pair matching the demographic generation to its corresponding birth years.
(A) Baby Boomers - Born roughly between 1947 and 1964
(B) Generation Y - Born roughly between 1947 and 1964
(C) Millennials - Born after 2005
(D) Generation X - Born roughly between 1965 and 1981

May/June 2015

24. Read the following scenario and answer the question.
An HR department decides to organize intellect-based quizzes, seminars, and weekend sports to boost engagement among younger employees. Which specific characteristic are they targeting?
(A) Freedom-driven nature
(B) Independently-dependent attitude
(C) Financial-fresh outlook
(D) Team-builders attribute

Oct/Nov 2012

25. Why do Gen Y professionals often view frequent job-hopping as a career advantage rather than a risk?
(A) Because it allows them to stick to one job throughout their lifetime without facing challenges.
(B) Because it fetches them quicker pay-hikes and provides opportunities to face new challenges.
(C) Because they fear technological advancements and seek simpler roles.
(D) Because it guarantees them a life-term employment venture.

May/June 2011

26. Identify the correct statement regarding the features of 'Employee Engagement'.
(A) Engagement is in an inverse proportion to the efficiency and effectiveness of labour activity.
(B) Degree of engagement in work remains identical among all employees in a homogeneous group.
(C) Employee engagement only has qualitative expressions and cannot be measured quantitatively.
(D) Engagement is in direct proportion to the efficiency and effectiveness of labour activity.

Oct/Nov 2020

27. Read the following assertion and reason, and select the correct option:
Assertion (A): Organizational theory often advocates for a reasonable level of attrition.
Reason (R): Organizations with zero staff turnover experience rapid self-renewal and a constant inflow of innovative ideas.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

28. Read the following assertion and reason, and select the correct option:
Assertion (A): Employee engagement reduces

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(D) Traditionalists

May/June 2020

14. Which of the following statements correctly describe the differences and characteristics of various generations?

I. Baby Boomers are renowned for thinking and planning one or two jobs ahead.
II. Gen X was impacted heavily by social and economic upheaval.
III. Gen Y employees are referred to as 'echo boomers'.
IV. Gen Y employees are highly educated, skilled, and far more entrepreneurial than earlier generations.

Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

Oct/Nov 2015

15. Read the following statements regarding broad innovative approaches to engage Gen Y employees:

I. Creating a workplace that continues the consumerization of Information Technology.
II. Redefining employees as resident consumers given their familiarity with technology.
III. Completely reverting to manual and paper work for communications to ensure data safety.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2013

16. Match the components of Employee Engagement in List I with their corresponding meanings in List II.

List I: Components
P. Cognitive Engagement
Q. Emotional Engagement
R. Behavioral Engagement
S. Employee Engagement Construct

List II: Meanings
1. The belief that an employee has about the company and its values.
2. The feeling an employee has about colleagues and supervisors.
3. What the employees exhibit as work commitment.
4. A positive state directed toward organizational outcomes.

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2021

17. Read the following scenario and answer the question.

A public sector bank expects its young officers to foresee growing customer aspirations and innovate delivery channels ahead of its peers. This expectation demands the employees to:

(A) Injecting high quality innovations into processes.
(B) Functioning within traditional hierarchical structures.
(C) Discarding all contemporary entrepreneurial experiences.
(D) Refraining from taking any calculated business risks.

May/June 2024

18. Which of the following is NOT a driver of 'Employee Engagement'?

(A) Elimination of communication and feedback channels.
(B) Implementing exciting 'Work-Life Balance' initiatives.
(C) Providing timely professional recognition and rewards.
(D) Offering autonomy and empowerment at the workplace.

Oct/Nov 2008

19. Which of the following is NOT an attribute of Gen Y professionals?

(A) Craving for social recognition and attention.
(B) Strongly driven by high goal achievement.
(C) Advanced use of modern digital technology.
(D) Fearing frequent job-hopping opportunities.

May/June 2006

20. Arrange the following demographic generations in the correct chronological order based on their birth periods.

I. Generation Y
II. Baby Boomers

NODIA

Oct/Nov 2025

35. Which of the following is NOT an action aligned with creating an exciting 'Work-Life Balance'?
(A) Implementing rigid and non-negotiable work shifts.
(B) Assisting with child school admission fee payments.
(C) Facilitating the payment of household electricity bills.
(D) Offering flexible working hours to maintain balance.

May/June 2012

36. Read the following scenario and answer the question.
An employee working remotely for six months begins to feel a severe lack of confidence in their abilities, intense frustration from missing group interactions, and a reduced sense of belonging to the company. This psychological impact is classified as:
(A) Professional isolation and reduced identification.
(B) Impaired superior-subordinate working relationships.
(C) Suffering from plenty of household distractions.
(D) Achieving higher flexibility and professional agility.

Oct/Nov 2014

37. Match the specific inspiring strategies in List I with their descriptions in List II.
List I: Inspiring Strategies
P. Fascinating Work Environment
Q. Techno-savvy Communication Channels
R. Encourage employees to speak up
S. Inclusive Mentoring
List II: Descriptions
1. Using internal online magazines and social media platforms.
2. Holding round-table discussions without fear of criticism.
3. Creating breakout areas, creative rooms, and hosting TEDx-like talks.
4. Providing immediate feedback and engaging in reverse mentoring.
(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-4, R-3, S-1

May/June 2019

38. Read the following assertion and reason, and select the correct option:
Assertion (A): Gen Y employees look for greater autonomy in the workplace.
Reason (R): They possess self-confidence, self-reliance, and the ability to voice their opinions, preferring to work creatively without blindly following others.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2006

39. Arrange the evolution phases of virtual working/ telecommuting in the correct chronological order:
1. Work from home grew due to fast telecommunication using fax and telephones.
2. The start of 'telecommuting' for white collar jobs due to the oil crises.
3. The COVID-19 pandemic made home-based virtual working the new normal globally.
(A) 2, 1, 3
(B) 1, 2, 3
(C) 3, 2, 1
(D) 2, 3, 1

May/June 2021

40. Read the following scenario and answer the question.
A bank branch manager typically spends meetings thinking about how smart to sound rather than listening to the subordinates' ideas. This behavior violates the fundamental engagement principle of:
(A) Creating a fascinating and vibrant work environment.
(B) Evolving creative systems for knowledge distribution.
(C) Involving employees in various community programs.
(D) Encouraging employees to speak up and be heard.

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occupational fatigue, significantly heightening organizational interest in it.
Reason (R): Engagement promotes high performance through cognition (immersion) and performance (energy).
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

29. Which of the following are recognized key attributes of a young leader?
I. Intelligence
II. Emotional quotient
III. Uniqueness in ideas
IV. Creative and innovative thinking
V. A strong sense of social responsibility
Which of the above attribute(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2016

30. What is the approximate birth period for the generation termed 'Baby Boomers'?
(A) Between 1965 and 1981
(B) Between 1982 and 2001
(C) Between 1920 and 1946
(D) Between 1947 and 1964

Oct/Nov 2009

31. Read the following list and identify which facilities are considered examples of practicing "Diversity and Inclusion" at the workplace:
I. Day care and child care leaves
II. Paid paternity, maternity, and adoption leaves
III. Mother's nursing rooms
IV. Providing employment to transgender and differently-abled individuals
V. Options for women employees to return after a career break
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2023

32. Identify the incorrect statement regarding contemporary employee engagement strategies.
(A) Using gamification to make daily work more enjoyable.
(B) Restricting mobile and social media use for business.
(C) Creating open spaces for rapid shared knowledge evolution.
(D) Using magazines to feature 'Employee of the Month' covers.

Oct/Nov 2018

33. Identify the incorrect pair linking a company with its specific workplace practice.
(A) Southwest Airlines - Fun woven into the company fabric.
(B) Google - Eliminating social media for data security.
(C) Mphasis - Practicing workplace diversity and inclusion.
(D) Forbes Marshall - Practicing diversity and inclusion.

May/June 2007

34. Match the specific benefits of 'Work From Home' in List I with their resulting outcomes in List II.
List I: Benefits
P. Flexibility and agility
Q. Improved employee retention
R. Access to a wider talent pool
S. Improved staff health and wellbeing
List II: Outcomes
1. Enabling individuals hindered by geographical location or disabilities to join the team.
2. Getting extra sleep and exercising by saving time on the commute.
3. Helping employees meet childcare needs and fit work around their personal life.
4. Making independent decisions and working with own rhythm to trade across different time zones.
(A) P-4, Q-3, R-1, S-2
(B) P-3, Q-4, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

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May/June 2025

48. What percentage of Forbes Global 2000 companies are projected to use gamification to boost engagement, retention, and revenues?
(A) 40%
(B) 50%
(C) 70%
(D) 90%

Oct/Nov 2019

49. What is the most appropriate way an organization can align with Gen Y's redefined concept of 'Loyalty'?
(A) Offering meaningful work and supporting career growth.
(B) Enforcing a strict life-term employment contract.
(C) Isolating employees to prevent professional fatigue.
(D) Utilizing purely manual and paper-based workflows.

May/June 2009

50. Read the following scenario and answer the question.
In an IT firm, a newly joined Gen Y employee is surprised to find that everyone, including the CEO, is addressed by their first name without formal hierarchical rudiments. This firm is practicing:
(A) Directive Leadership Style
(B) Impaired Superior-subordinate relationship
(C) Collaborative Leadership Style
(D) Professional Isolation

Oct/Nov 2011

51. Read the following scenario and answer the question.
A bank allows some staff to work from home while others must work in the office. The office staff starts feeling tension, inequity, and jealousy because they must cover for the remote workers. This scenario is an example of:
(A) Experiencing stressed family relations.
(B) Promoting better workplace collaboration.
(C) Enhancing employee motivation levels.
(D) Strained inter-personal relationships.

May/June 2010

52. Read the following statements regarding the "Happiness at Work Card Game":
I. It acts as a tool for team performance and employee engagement.
II. It consists of over 50 common workplace scenarios.
III. It provides over 100 science-based solutions.
IV. Solutions fall into categories like Practice Positivity and Revitalize Relationships.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2024

53. Read the following scenario and answer the question.
A banking institution initiates a blood donation camp and a relief fund drive, heavily involving its millennial workforce. This strategy primarily leverages Gen Y's passion for:
(A) Job Autonomy
(B) Diversity and Inclusion
(C) Community Development Programmes
(D) Stimulating Career Development

May/June 2017

54. What is the primary meaning of "disembedded" work?
(A) Work that is physically fixed to corporate headquarters.
(B) Work that is completely separated from all technology.
(C) Actions performed anywhere, regardless of space or time.
(D) Strategies used strictly for disaster recovery facilities.

Oct/Nov 2005

55. Read the following statements regarding the assignment of jobs to Gen Y employees:
I. Gen Y prefers doing the job around the clock if they are given responsibility.
II. Immersion in task performance is easier for Gen Y when the task characteristics are unpleasant.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2020

56. Read the following assertion and reason, and select the correct option:
Assertion (A): Gen Y employees prefer long

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Oct/Nov 2005

97. Identify the incorrect statement regarding the future legal framework for remote work.

(A) Modern legal frameworks primarily intend to forcefully revert all sectors back to physical office premises.

(B) Consultancies have been engaged to assess the 'future of employment' in light of shifts in workplace trends.

(C) Countries like Portugal have passed laws outlining labour rules for the protection of remote employees.

(D) Reports have highlighted the issue of long working hours experienced by employees due to WFH.

May/June 2020

98. Match the specific statistical or numerical data points in List I to their corresponding contexts in List II.

List I: Data Points

P. 2.4 million

Q. 70%

R. 80:20

S. 6

List II: Contexts

1. Expected long-term ratio of full-time to flexible bracket employees in some large firms.
2. The number of weeks an employee must work in a year under certain flexible models.
3. The number of employees working from home in the UK, which doubled over eight years.
4. Percentage of Forbes Global 2000 companies expected to use gamification.

(A) P-3, Q-4, R-1, S-2

(B) P-4, Q-3, R-2, S-1

(C) P-1, Q-2, R-3, S-4

(D) P-2, Q-1, R-4, S-3

Oct/Nov 2015

99. Read the following scenario and answer the question.

A mid-career professional at an FMCG company applies for a program that allows them to take a career break to care for loved ones, yet requires them to work for just six weeks annually while maintaining medical benefits. This employee has opted for the:

(A) Hybrid Model

(B) Traditional Sabbatical Model

(C) Open2U Model

(D) U-Work Model

May/June 2013

100. Read the following statements regarding organizational theory:

I. It advocates for an absolute zero staff turnover to maintain long-term stability and prevent decadence.

II. It states that an organization no longer needs just the 'best candidate', but rather the 'best match' for the job.

Which of the above statement(s) is/are correct?

(A) Only I is correct

(B) Only II is correct

(C) Both I and II are correct

(D) Neither I nor II is correct

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Oct/Nov 2017

63. How does WFH potentially impact the superior-subordinate relationship negatively?
(A) Reducing face-to-face contact and career opportunity visibility.
(B) Replacing all managers with artificial intelligence software.
(C) Promoting employees based on their physical exercise routines.
(D) Eliminating all forms of digital feedback and communication.

May/June 2008

64. Identify the incorrect statement regarding the Open2U employment model.
(A) Introducing specific models for markets like India.
(B) Allowing gig workers to work on different assignments.
(C) Denying gig workers financial safety nets or medical benefits.
(D) Engaging workers who are not on the company payroll.

Oct/Nov 2013

65. Read the following assertion and reason, and select the correct option:
Assertion (A): Organizations should encourage employees to take up non-work-related courses via online platforms.
Reason (R): These courses prove to be great mood boosters and stress-relievers for employees during prolonged remote work.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2015

66. Regarding the development of legal frameworks for new models of work, which of the following aspects are typically considered for coverage?
I. Fixing work hours for employees.
II. Payment of additional expenses incurred towards electricity and internet usage.
III. Completely banning WFH for the IT and ITES sectors.
IV. Providing legal backing to remote employees, similar to laws in countries like Portugal.
Which of the above statement(s) is/are correct?
(A) I, II, and IV only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, II, III, and IV

Oct/Nov 2012

67. Which of the following is NOT typically cited as a benefit of 'Work From Home'?
(A) Reducing organizational absenteeism.
(B) Better collaboration across states.
(C) Increased risk of immune system burnout.
(D) Enhanced employee motivation levels.

May/June 2011

68. Read the following scenario and answer the question.
An employee's spouse has a miscarriage, and the investment bank they work for grants them 20 days of paid leave as part of a new enhanced benefits package. Which bank introduced this policy?
(A) JPMorgan Chase
(B) Goldman Sachs
(C) Axis Bank
(D) HDFC Bank

Oct/Nov 2020

69. Which of the following statements is NOT true regarding the employment models U-Work and Open2U?
(A) U-Work requires an employee to put in a minimum of 40 weeks of work in a year.
(B) Both models operate under an overarching thought process called 'Flexi-curity'.
(C) Open2U allows gig workers to work on different assignments and get a financial safety net.
(D) U-Work covers a significant portion of office-based employees in companies like HUL.

May/June 2022

70. Read the following scenario and answer the question.
To prevent employees from feeling lost while working remotely, a CEO uses Slack to hold informal contests and celebrate birthdays. This action successfully implements:
(A) Timely Recognition

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(B) Revamp Employer Relationships
(C) Community Building
(D) Meaningful Goal Setting

Oct/Nov 2023

71. Read the following statements regarding government stances on remote work:
I. Some standing orders allow employers and employees to mutually decide on work hours and conditions for remote working.
II. Modern standing orders typically prohibit all IT sector companies from allowing work from home.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

May/June 2016

72. Match the WFH engagement strategies in List I with their practical applications in List II.
List I: WFH Engagement Strategies
P. Community Building
Q. Robust Communication
R. Meaningful Goal Setting
S. Harnessing Learning habits
List II: Practical Applications
1. Setting clear deliverables and specific metrics.
2. Creating an information hub with FAQ guides and relevant health links.
3. Hosting virtual multiplayer games, quizzes, and virtual coffee breaks.
4. Providing e-learning platforms for technical and creative arts.
(A) P-3, Q-2, R-1, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-1, Q-4, R-3, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2009

73. Read the following statements regarding the 'Hybrid Model' of working:
I. It unifies both physical and virtual workplaces.
II. There is a single "best fit" model replicated identically by all organizations.
III. Some workdays require physical presence, while others allow virtual presence.
IV. It requires HR policies, processes, and procedures to be redesigned.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, and IV only

May/June 2023

74. What is the most appropriate approach for managers to manage remote teams successfully under 'Meaningful Goal Setting'?
(A) Mandating continuous video surveillance throughout the shift.
(B) Halting regular updates to reduce digital screen fatigue.
(C) Setting clear deliverables and specific metrics for tracking.
(D) Limiting use of instant messaging apps like Skype or Slack.

Oct/Nov 2018

75. Read the following statements regarding the criteria governing employees under the U-Work model:
I. The employee is required to put in a minimum of six weeks of work in a year.
II. Employees lose all access to retirement and medical benefits.
III. It can cover thousands of office-based employees within a large organization.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2007

76. Identify the incorrect statement regarding the implementation of disaster/business continuity strategies during WFH.
(A) In most cases, work from home does not meet the requirement of getting critical employees back to the company's systems.
(B) Coordination becomes more difficult when some employees work at home.
(C) Recovering information systems is critical to the survival of the company during an incident.
(D) The monitoring cost of the manager is generally lower and highly efficient when employees work at home.

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Oct/Nov 2025

77. The concept of 'Flexi-curity' in new employment models seeks to provide a balance between:
(A) Increasing office surveillance and salary deductions.
(B) Focusing on exercise routines and disaster recovery.
(C) Using remote isolation and mandatory global travel.
(D) Balancing flexible hours with structured pay and benefits.

May/June 2012

78. Read the following statements regarding 'Robust Communication' during WFH:
I. Corporate leadership communication should include personal elements, assuring staff and urging them not to panic.
II. Leadership should provide links to external authorities like the CDC or WHO to provide factual information.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2014

79. Read the following assertion and reason, and select the correct option:
Assertion (A): Future-focused organizations are redesigning their office layouts to increase collaborative workspaces.
Reason (R): The Hybrid Model requires a "fit for purpose" strategy that optimizes service delivery while unifying physical and virtual presence.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

80. Match the organizations in List I with their specific initiatives implemented during the remote-work era in List II.
List I: Organizations
P. Goldman Sachs and JPMorgan Chase
Q. Amazon
R. Zara
S. Google
List II: Initiatives
1. Pledged $1 million to local organizations in Mountain View.
2. Installing teams at disaster recovery sites and trading facilities at workers' homes.
3. Announced a $5 million relief fund for small businesses.
4. Offered to make hospital scrubs.
(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-4, Q-1, R-2, S-3
(D) P-1, Q-4, R-3, S-2

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Oct/Nov 2006

81. In which country was a law passed stating that companies should not contact staff outside working hours and bosses are forbidden from using digital software to track teleworkers?
(A) India
(B) United States
(C) Portugal
(D) United Kingdom

May/June 2021

82. Identify the correct pair concerning organizational actions during the remote-working period.
(A) Infosys - Learners using 'Virtual Proctored Certifications'.
(B) Bluewolf - Held virtual GCC Total Rewards Townhall meeting.
(C) AB InBev - Created the specific #GoingSocial program initiative.
(D) Goldman Sachs - Decreased all parental leave by 50 percent.

Oct/Nov 2010

83. Identify the correct statement regarding providing support for equipment during WFH.
(A) Employees bearing the entire cost of tools and resources.
(B) Refusing laptop bulk buy plans for remote staff members.
(C) Eliminating correlations between tools and work quality.
(D) Reimbursing costs for home office equipment and internet.

May/June 2005

84. Read the following statements detailing the attributes of U-Work and Open2U models:

I. They challenge traditional employer-employee dynamics.
II. They offer flexible work arrangements with benefits to existing employees and gig workers.
III. Open2U was introduced specifically for the Indian market in some companies.
IV. U-Work final decisions are based on mutual agreement between the company and the staffer.
V. The models intend to replace structured pay completely with un-structured commission bases.

Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, and IV only
(C) I, III, IV, and V only
(D) I, II, IV, and V only

Oct/Nov 2022

85. In specific corporate benefits policies, such as those of major investment banks, how many days of paid leave are provided for the loss of non-immediate family members?
(A) 20 days
(B) 10 days
(C) 5 days
(D) 2 days

May/June 2018

86. Read the following scenario and answer the question.
Due to prolonged lockdowns, an employee working from home begins to experience severe relationship strains with their spouse due to constant close proximity, eventually leading to a temporary breakup. This risk is identified as:
(A) Professional Isolation
(B) Stressed Family Relations
(C) Lack of physical exercise
(D) Community Building failure

Oct/Nov 2016

87. What is the primary advantage of the 'Open2U' model for gig workers?
(A) Granting a fixed 4.5-day work week to all employees.
(B) Working on diverse projects with a financial safety net.
(C) Forcing employees to work at corporate headquarters.
(D) Providing 20 days of paid family care leave universally.

May/June 2014

88. Read the following scenario and answer the question.
A company introduces a system where employees earn points by publishing blog posts on the official company's blog, utilizing gamification technology. This represents:
(A) Promoting Health and Wellness
(B) Fun-filled Engagement
(C) Engaging in CSR Activities
(D) Harnessing Learning habits

Oct/Nov 2007

89. Read the following scenario and answer the question.
An HR manager closes smaller decentralized offices to establish a single large collaborative workspace, anticipating that employees will only come in occasionally to brainstorm, and work remotely otherwise. This strategic shift supports:
(A) The traditional 40-40-40 model
(B) The Hybrid Model
(C) The Brick & Mortar model
(D) The Open2U gig worker model

May/June 2025

90. Identify the incorrect pair regarding organizational engagement tools during WFH.
(A) Donating masks and sanitizers - Harnessing Learning Habits
(B) Wellness applications - Promoting Health and Wellness
(C) Gamification - Fun-filled Engagement
(D) Cloud-based HR tools - Timely Recognition

Oct/Nov 2019

91. Read the following assertion and reason, and select the correct option:
Assertion (A): Engaging WFH employees in CSR activities during a crisis can help organizations effectively engage such employees.
Reason (R): It instills pride in employees to be associated with a brand that is helping the community, providing a positive impact on both society and the business.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of

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Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

92. Match the novel employment concepts in List I with their specific descriptors in List II.
List I: Employment Concepts
P. 40-40-40 model
Q. U-Work
R. Open2U
S. Flexi-curity
List II: Descriptors
1. Provides gig workers a financial safety net and medical benefits.
2. A prototype of the hybrid workplace requiring a minimal number of weeks of work a year.
3. The traditional status quo of working hours, weeks, and years.
4. An overarching thought process offering flexibility without sacrificing security.
(A) P-3, Q-2, R-1, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-1, Q-4, R-3, S-2
(D) P-4, Q-1, R-2, S-3

Oct/Nov 2011

93. Read the following assertion and reason, and select the correct option:
Assertion (A): Trends like the 'Great Resignation' prompted many employees to seek a wide variety of projects or slower work paces.
Reason (R): In response, some organizations introduced flex arrangements like U-Work to retain access to a highly skilled talent pool rather than losing them completely.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

94. Read the following assertion and reason, and select the correct option:
Assertion (A): The widespread shift to remote work has reduced information asymmetries between workers and their employers.
Reason (R): Remote work has shown that more coordination and improved working relationships are possible, leading to efficiency gains.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

95. Read the following statements representing the shifts and challenges driven by the global pandemic on employment:
I. Work From Home became a new normal globally.
II. Remote work highlighted issues like professional isolation and stressed family relations.
III. The pandemic opened an opportunity for value creation via the Hybrid Model.
IV. Governments have considered legal frameworks for fixing remote work hours.
V. Companies definitively eliminated gamification due to remote setup complexities.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, IV, and V only

May/June 2017

96. Identify the correct statement regarding recent global organizational employment trends.
(A) Major banks revoked all gig opportunities last year to enforce traditional workflows.
(B) The UAE recently announced a 4.5-day work week.
(C) Large FMCG companies reverted strictly to the 40-40-40 model due to the failure of flexible arrangements.
(D) All IT companies have permanently shut down physical offices post-pandemic.

NODIA

also commonly identified as Generation Y or Millennials. They represent a significant portion of the modern workforce, known for their distinct preferences for technology, work-life balance, and collaborative environments compared to the preceding traditionalist generations.

9. (B) Loyalty re-defined
Generation Y professionals have redefined the concept of professional loyalty. Instead of remaining with a single employer for life, they prioritize career advancement and personal growth. Resigning to seek more challenging roles or better compensation reflects this shift. Their commitment is often tied to the meaningfulness of the work and the opportunities for skill development provided by the employer.

10. (C) Knowledge, Interest, and Performance
Employee engagement is fundamentally composed of knowledge, interest, and performance. Knowledge refers to the cognitive understanding of organizational goals. Interest represents the emotional connection and enthusiasm an individual feels toward their role. Performance signifies the behavioral energy and commitment exerted to achieve results. Together, these components create a robust framework for measuring and improving employee immersion and organizational success.

11. (D) Evolving creative knowledge sharing systems.
Utilizing creative themes for team meetings exemplifies an innovative approach to knowledge sharing. By turning mandatory updates into engaging, thematic presentations, organizations can reduce boredom and increase participation. This strategy fosters a vibrant culture where information is distributed in memorable ways. It encourages employees to contribute uniquely, strengthening their connection to the team and the broader organizational objectives.

12. (C) Employee Engagement
A deep sense of dedication and concern for the future of an organization characterizes employee engagement. This psychological state goes beyond basic motivation, reflecting an emotional and cognitive bond with the employer. Engaged employees align their personal success with the success of the firm. Such behavior indicates a high level of commitment, where work is performed with energy and purpose.

13. (A) Generation Y
The preference for flexible working hours, high reliance on online technology, and the expectation for constant feedback are hallmark traits of Generation Y. Born between the early 1980s and late 1990s, these individuals seek autonomy and frequent communication. Their professional style is distinct from previous generations, emphasizing digital fluency and a desire for meaningful work rather than traditional hierarchy.

14. (B) II, III, and IV
Generation X was significantly shaped by social and economic changes, while Generation Y is often called echo boomers. Millennials are characterized as highly educated, entrepreneurial, and technologically skilled professionals. Unlike Baby Boomers, who often focused on organizational stability, younger generations prioritize career agility. These differences necessitate varied management and engagement strategies to effectively harness the strengths of each demographic group.

15. (A) I and II only
Engaging Generation Y involves integrating modern information technology into the workplace to reflect consumer experiences. Treating employees as resident consumers acknowledges their digital familiarity and heightens their connection to the organization. Conversely, reverting to manual or paper-based communication is counterproductive for a generation that thrives on digital speed and efficiency. These approaches ensure work environments remain relevant to younger professionals.

16. (A) P-1, Q-2, R-3, S-4
Cognitive engagement involves an employee's beliefs regarding company values. Emotional engagement describes the feelings toward colleagues and supervisors. Behavioral engagement manifests through the work commitment shown by the individual. The overarching construct of employee engagement is defined as a positive state directed toward organizational outcomes. These elements

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ANSWERS

1. (D) Ambiguous and highly centralized management styles build trust and respect.
Centralized and ambiguous management styles typically hinder engagement. Effective drivers include collaborative leadership, organizational clarity, and a people-centric culture. High levels of trust and respect are built through transparency and empowerment rather than restrictive or confusing management. These elements ensure employees feel valued and aligned with the organizational vision, fostering long-term dedication.

2. (A) P-1, Q-2, R-3, S-4
Organizations expect specific strategic outcomes from Gen Y employees. Disseminating contemporary knowledge helps traditional staff right-size skills. Converting implicit to explicit knowledge utilizes innate abilities effectively. Acting as think tank members involves achieving high performance with top management. Functioning as change agents ensures business model transformations through collaborative effort, reflecting the proactive nature of younger workers.

3. (A) Only I is correct
Motivation serves as an internal drive to accomplish specific goals or tasks. In contrast, engagement is a comprehensive state that includes cognitive, emotional, and behavioral involvement. It encompasses performance energy and intellectual immersion, making it broader than simple task completion. Therefore, defining engagement as something that excludes cognition or energy is inaccurate within modern organizational behavioral theories.

4. (C) Advocating reasonable attrition levels for self-renewal.
Modern organizational theory suggests that zero turnover can lead to stagnation or decadence. Reasonable attrition levels facilitate self-renewal by introducing fresh perspectives and innovative ideas. Instead of merely hiring the most qualified individual on paper, firms prioritize finding the best match for the role. This approach ensures a dynamic workforce capable of adapting to evolving business environments.

5. (C) I and III only
Generation Y employees typically value freedom and flexibility in their professional schedules. They are highly proficient in digital technology and remain constantly connected through various online platforms. However, their professional loyalty is often centered on their personal career growth and skill development rather than being strictly confined to a single organization for their entire working life.

6. (B) Only II is correct
Reverse mentoring is a contemporary strategy where younger staff members share their technological expertise with senior leaders. Effective mentoring for Gen Y emphasizes two-way communication and immediate feedback rather than one-way instructional methods. This collaborative approach recognizes the unique strengths of younger generations, ensuring that organizational knowledge and technical skills flow across different levels of the management hierarchy.

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7. (B) A positive cognitive, emotional, and behavioral state directed toward organizational outcomes.
Employee engagement represents a multifaceted working condition characterized by positive cognitive, emotional, and behavioral states. These states are intentionally directed toward achieving organizational goals. Unlike purely financial motivation, it involves an employee's psychological immersion and commitment. This emergent state ensures that individuals contribute their maximum effort and energy toward the success and sustainability of their respective organizations.

8. (B) Children of parents born during the baby boom period.
The term echo boomers refers to the children of the generation born during the post-World War II baby boom. This demographic group is

lectures and find traditional institutionalized training highly engaging.
Reason (R): Millennials prefer multimedia training and e-learning to acquire skills in a multi-directional career system.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

57. Read the following statements regarding the benefits of 'Work From Home' (WFH):
I. Attracting new talent.
II. Increased productivity due to a quieter environment.
III. Financial benefits from savings on office space.
IV. Complete elimination of all interpersonal tension among colleagues.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, II, and IV only
(D) I, III, and IV only

May/June 2013

58. Match the Gen Y job style preferences in List I with their underlying concepts in List II.
List I: Job Style Preferences
P. Job Autonomy
Q. Promoting Team Work
R. Assigning Challenging Jobs
S. Collaborative Leadership Style
List II: Underlying Concepts
1. Craving risk, pressure, and demanding meaningful task characteristics.
2. A friendly superior who feels like one among the team rather than an authoritative boss.
3. Demanding ownership of work with minimal supervision.
4. Valuing participation over results and joining forces to accomplish goals.
(A) P-3, Q-4, R-1, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2021

59. Read the following scenario and answer the question.
An HR executive implements a scientifically designed engagement tool containing over 100 solutions focusing on 'Practice Positivity' and 'Flow to Goals'. Which specific tool is being deployed?
(A) #GoingSocial Program
(B) InfiBlog Discussion Forum
(C) Happiness at Work Card Game
(D) TEDx-like Talk module

May/June 2024

60. Identify the correct statement concerning the nature of 'Team Work' as preferred by Gen Y.
(A) Believing that joining forces to meet goals is unproductive.
(B) Prioritizing participation over focusing solely on results.
(C) Working on individual tasks to ensure individual credit.
(D) Viewing team spirit as an obstacle to mutual cooperation.

Oct/Nov 2008

61. Read the following statements regarding "Community Building" strategies for remote workers:
I. Creating a virtual office for employees.
II. Adopting a virtual coffee break to prevent potential burnout.
III. Setting rigid micro-monitoring timelines to maximize task output.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2006

62. How is the 'Hybrid Model' of working defined?
(A) Mixing physical and virtual presence during the working week.
(B) Working from remote disaster recovery sites permanently.
(C) Depending on gig workers with zero full-time staff members.
(D) Prohibiting all forms of working from a home environment.

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combine to define how an individual interacts with their professional environment and goals.

17. (A) Injecting high quality innovations into processes.
To meet growing customer aspirations and outpace competitors, young officers must introduce high-quality innovations into organizational processes. This requires moving beyond traditional hierarchical boundaries and utilizing contemporary entrepreneurial skills. Taking calculated risks and leveraging modern technology allows for the creation of efficient delivery channels. Such proactive behavior is essential for maintaining a competitive edge in the rapidly evolving financial services sector.

18. (A) Elimination of communication and feedback channels.
Effective employee engagement relies heavily on open communication and regular feedback. Removing these channels hinders transparency and prevents employees from understanding their performance or organizational goals. In contrast, initiatives focusing on work-life balance, professional recognition, and workplace autonomy serve as strong drivers. These positive factors foster a culture of trust and respect, encouraging higher levels of commitment and productivity.

19. (D) Fearing frequent job-hopping opportunities.
Generation Y professionals generally do not fear job-hopping; instead, they often view it as a strategic way to advance their careers and increase compensation. They are motivated by high goal achievement, digital proficiency, and a desire for social recognition. Unlike older generations who prioritized long-term stability with one employer, Millennials value flexibility and the ability to face new challenges.

20. (A) II, III, I
Demographic generations are categorized by their birth periods. Baby Boomers were born roughly between 1947 and 1964. Generation X followed, with birth years spanning from 1965 to 1981. Generation Y, also known as Millennials, includes those born between 1982 and 2001. Understanding this chronological sequence is vital for organizations to tailor their human resource management and engagement strategies effectively.

21. (C) Encouraging individuals to design and own their career paths.
Generation Y employees value autonomy and prefer to take ownership of their professional growth. Organizations facilitate this by allowing individuals to design their own career paths rather than enforcing rigid, long-term waiting periods. Providing flexible learning opportunities and early-career mobility aligns with their desire for rapid progression and varied experiences. This approach increases engagement by respecting their entrepreneurial and self-reliant nature.

22. (B) Kahn
William Kahn is recognized for early research that defined work engagement as the harnessing of organizational members' selves to their work roles. In this state, people employ and express themselves physically, cognitively, and emotionally during role performances. This foundational concept distinguishes engagement from simple job satisfaction, highlighting the deep psychological connection an individual maintains with their professional responsibilities and the organization.

23. (D) Generation X - Born roughly between 1965 and 1981
Generation X comprises individuals born roughly between 1965 and 1981. Baby Boomers are typically associated with the period between 1947 and 1964. Generation Y, or Millennials, follows Generation X, generally encompassing those born from 1982 to 2001. Identifying these specific periods helps researchers and organizations understand the shared socio-economic experiences that influence the workplace behaviors and expectations of different cohorts.

24. (D) Team-builders attribute
Organizing intellect-based quizzes and sports activities targets the team-builder attribute of younger employees. These initiatives foster collaboration and mutual trust, which are essential for creating a cohesive work environment. By engaging employees in social and intellectual competitions, organizations tap into their desire for interaction and collective achievement. This strategy strengthens interpersonal bonds and

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financial advantages from reduced office space requirements and lower utility costs. While WFH provides many positives, it does not completely eliminate all interpersonal tensions among colleagues; in fact, remote setups can sometimes create new types of communication challenges for teams.

58. (A) P-3, Q-4, R-1, S-2
Job autonomy involves demanding ownership of work with minimal supervision. Promoting teamwork means prioritizing participation over results to achieve goals. Assigning challenging jobs satisfies the craving for risk and meaningful task characteristics. A collaborative leadership style features a superior who acts as a team member rather than an authoritative boss. These preferences reflect the desire for independence, cooperation, and meaningful professional engagement.

59. (C) Happiness at Work Card Game
The Happiness at Work Card Game is a scientifically designed engagement tool that offers over 100 solutions focusing on positivity and goal achievement. It is used by HR managers to foster a better workplace culture by addressing common scenarios through structured, evidence-based methods. This gamified approach makes the process of improving team dynamics and individual well-being more interactive and effective for employees.

60. (B) Prioritizing participation over focusing solely on results.
For Generation Y, teamwork involves prioritizing participation and collaborative effort over focusing solely on individual results. They believe that joining forces is a productive way to achieve common goals and value the spirit of mutual cooperation. This generation views collective work as an opportunity for social interaction and shared success, making team-based projects a central component of their preferred work style.

61. (A) I and II only
Creating virtual offices and hosting virtual coffee breaks are effective community-building strategies for remote teams. These initiatives help prevent burnout and maintain social connections among employees who work in isolation. Conversely, setting rigid micro-monitoring timelines is generally counterproductive to community building, as it can increase stress and reduce trust. Fostering an informal digital culture is key to supporting remote employee well-being.

62. (A) Mixing physical and virtual presence during the working week.
The hybrid model of working is defined by a blend of physical and virtual presence throughout the workweek. It allows employees to spend some days in the office and others working remotely. This flexibility aims to combine the benefits of face-to-face collaboration with the convenience of remote work. Redesigning HR policies and workplace layouts is often necessary to support this modern professional arrangement.

63. (A) Reducing face-to-face contact and career opportunity visibility.
Work from home can negatively impact the relationship between superiors and subordinates by reducing face-to-face contact. This decrease in physical presence may lead to lower visibility for career opportunities and professional recognition. Without regular in-person interactions, establishing trust and providing nuanced feedback becomes more challenging. Organizations must utilize robust digital communication tools to mitigate these risks and maintain strong professional bonds regularly.

64. (C) Denying gig workers financial safety nets or medical benefits.
The Open2U model is designed to provide gig workers with a financial safety net and medical benefits while allowing them to work on various assignments. It targets specific markets and engages individuals not on the traditional payroll. Suggesting that it denies benefits is incorrect, as the model's core purpose is to offer flexibility alongside essential security and financial protections for workers.

65. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Encouraging employees to take non-work-related courses during remote work can significantly boost morale and relieve stress. These activities provide a necessary break from daily professional pressures and help prevent burnout. By supporting personal interests and

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33. (B) Google - Eliminating social media for data security.
Google is well-known for its tech-forward culture and does not eliminate social media; instead, it encourages digital collaboration and innovation. Other companies like Southwest Airlines incorporate fun into their organizational fabric, while Mphasis and Forbes Marshall are recognized for their commitment to diversity and inclusion. Misidentifying Google's approach highlights a misunderstanding of modern tech-driven employee engagement and communication practices.

34. (A) P-4, Q-3, R-1, S-2
Work from home offers flexibility, allowing independent decisions across time zones. It improves retention by helping employees manage childcare and personal lives. Organizations gain access to a wider talent pool by hiring individuals regardless of geographical location. Additionally, staff health and well-being are enhanced as employees save commute time, allowing for more sleep and exercise. These outcomes contribute to a resilient workforce.

35. (A) Implementing rigid and non-negotiable work shifts.
Rigid and non-negotiable work shifts directly conflict with the principles of work-life balance. Effective initiatives include offering flexible hours, assisting with childcare fees, or facilitating the payment of household bills. These measures help reduce employee stress and allow them to better manage their personal responsibilities alongside their professional duties. Promoting flexibility is key to maintaining a motivated and engaged modern workforce.

36. (A) Professional isolation and reduced identification.
Prolonged remote work can lead to professional isolation and a reduced sense of identification with the organization. The lack of physical interaction with colleagues often results in frustration and a decline in self-confidence. Employees may feel disconnected from the company culture and miss the social support found in a traditional office. This psychological impact is a significant challenge that organizations must address.

37. (A) P-3, Q-1, R-2, S-4
A fascinating work environment includes breakout areas and creative rooms. Techno-savvy communication utilizes internal social media and online magazines. Encouraging employees to speak up is achieved through round-table discussions. Inclusive mentoring involves providing immediate feedback and practicing reverse mentoring. These strategies engage younger employees by creating a culture of openness, modern communication, and continuous professional and personal development for all levels.

38. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Generation Y employees actively seek greater autonomy in the workplace because they possess high levels of self-confidence and self-reliance. They prefer to work creatively and are comfortable voicing their opinions rather than following traditional hierarchies blindly. This desire for independence is a core trait that organizations must accommodate to ensure these employees remain engaged, productive, and committed to their roles.

39. (A) 2, 1, 3
The evolution of virtual working began with telecommuting during the oil crises of the 1970s. Subsequently, the growth of fast telecommunications like fax and telephones enabled more work from home. Most recently, the COVID-19 pandemic accelerated this trend, establishing home-based virtual work as the new global normal. Understanding this chronological development highlights how technological and social shifts have transformed the workplace.

40. (D) Encouraging employees to speak up and be heard.
When a manager focuses on their own appearance of intelligence rather than listening to subordinates, they violate the principle of encouraging employees to speak up. Effective engagement requires that all voices are heard and valued. Creating a culture of open communication fosters trust and ensures that innovative ideas from all levels are considered, which is crucial for employee satisfaction and success.

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41. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Work from home allows organizations to reduce costs related to health and utility bills because employees can maintain better health routines. By utilizing saved commute time for exercise, sleep, and healthier eating, staff members improve their overall fitness. This reduction in employee health issues translates into lower hospitalization and insurance expenses, demonstrating a mutually beneficial outcome for both the employer and employee.

42. (C) Creating a Fascinating Work Environment
Establishing dedicated sleep rooms and creative breakout areas is a strategy used to create a fascinating and vibrant work environment. These facilities help reduce workplace stress and foster a culture of creativity and enjoyment. By making the physical or virtual workspace more engaging and relaxed, organizations can improve employee morale and attract talent that values a non-traditional and supportive work atmosphere.

43. (B) II and III only
Generation Y employees typically demand higher levels of responsibility and seek meaningful work that has a visible impact. They are prone to taking risks and often challenge traditional systems to improve efficiency. Unlike previous generations, they prioritize results and outcomes over strict adherence to procedures and compliance. This focus on achievement and innovation defines their distinct contribution to the modern workplace.

44. (D) Using coaching, immediate feedback, and reverse mentoring.
Mentoring for the modern workforce has shifted toward a more consultative and interactive approach. It now emphasizes regular coaching, immediate feedback, and reverse mentoring, where younger employees share knowledge with seniors. This transition moves away from traditional one-way, top-down instruction. By fostering a culture of mutual learning and rapid communication, organizations can better engage Gen Y employees and utilize their unique skills.

45. (D) I, II, III, IV, and V
Potential demerits of working from home include a lack of physical exercise and difficulties in implementing disaster recovery strategies. Employees may also experience professional isolation, issues with organizational identification, and impaired superior-subordinate relationships. Furthermore, constant proximity can lead to strained interpersonal relationships within the household. Organizations must recognize these risks to develop effective strategies that support the well-being of remote staff.

46. (B) Junior employees teaching technological skills to seniors.
Reverse mentoring is an engagement strategy where junior staff members provide instruction or guidance to senior employees, particularly regarding modern technological skills. This practice breaks traditional hierarchical boundaries and fosters a culture of continuous learning. It allows senior leaders to stay updated with digital trends while giving younger employees a platform to contribute their expertise, thereby increasing their sense of individual value.

47. (B) Liaw, Liang and Wang
Researchers Liaw, Liang, and Wang have defined virtual work as a professional arrangement where jobs are performed via internet connections rather than at corporate headquarters. This concept highlights the shift from physical presence to digital connectivity as the primary means of conducting business. It underscores the importance of telecommunications in enabling flexible work environments and changing how organizations manage their workforces effectively.

48. (C) 70%
Approximately 70% of Forbes Global 2000 companies are projected to utilize gamification techniques to enhance employee engagement, retention, and revenue growth. Gamification involves applying game-design elements in non-game contexts, such as the workplace, to motivate employees and make tasks more enjoyable. This trend reflects the increasing importance of using innovative, technology-driven tools to maintain a committed and productive workforce today.

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49. (A) Offering meaningful work and supporting career growth.
To align with the redefined sense of loyalty among Generation Y, organizations should focus on providing meaningful work and supporting career development. These employees are more likely to remain committed if they feel their contributions are impactful and their professional growth is prioritized. Unlike older models based on lifetime employment, modern loyalty is built on mutual benefit and continuous skill enhancement for employees.

50. (C) Collaborative Leadership Style
Addressing everyone, including senior leadership, by their first name reflects a collaborative and non-hierarchical leadership style. This approach reduces formal barriers and fosters a more inclusive and open work environment. It encourages communication across all levels of the organization and aligns with the preferences of younger employees who value transparency, equality, and a sense of belonging over traditional status-based management protocols.

51. (D) Strained inter-personal relationships.
Strained interpersonal relationships can occur when office-based staff feel they are unfairly burdened by the absence of remote colleagues. Feelings of inequity and jealousy may arise if the distribution of work is perceived as unbalanced. This scenario highlights the importance of fair management and clear communication when implementing hybrid or remote work models to prevent conflict and maintain team cohesion effectively.

52. (D) I, II, III, and IV
The Happiness at Work Card Game is an engagement tool designed to improve team performance. It features over 50 workplace scenarios and provides more than 100 science-based solutions. These solutions are categorized into themes like practicing positivity and revitalizing relationships. This tool helps employees and managers navigate common professional challenges through a structured and enjoyable format, promoting a positive workplace culture.

53. (C) Community Development Programmes
Involving millennial employees in activities like blood donation camps and relief fund drives leverages their passion for community development. Many Generation Y professionals seek opportunities to contribute to social causes and find meaning beyond their daily work tasks. Participating in corporate social responsibility initiatives enhances their engagement and pride in the organization, aligning the company's values with their personal convictions effectively.

54. (C) Actions performed anywhere, regardless of space or time.
Disembedded work refers to professional activities that can be performed anywhere, regardless of specific space or time constraints. This concept is central to the rise of remote and virtual working, where digital connectivity replaces the need for a fixed physical location. It allows for greater flexibility and agility in how work is organized, enabling individuals to balance their roles more effectively today.

55. (A) Only I is correct
Generation Y employees are often willing to work around the clock if they are given significant responsibility and ownership of their tasks. However, achieving immersion in a task is generally more difficult when the characteristics of the work are perceived as unpleasant or monotonous. They are highly motivated by meaningful challenges and are more likely to be engaged when tasks are stimulating.

56. (D) Assertion (A) is false, but Reason (R) is true.
The assertion that Generation Y prefers long lectures and traditional institutionalized training is false. In reality, Millennials favor multimedia-based training and e-learning platforms that allow for flexible skill acquisition. They prefer dynamic and interactive learning environments that align with a multi-directional career system. This approach caters to their tech-savvy nature and their desire for rapid, accessible, and engaging professional development.

57. (A) I, II, and III only
Work from home offers several organizational benefits, including attracting new talent and increasing productivity through a quieter work environment. Companies also experience

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enhances the overall engagement levels of the workforce.

25. (B) Because it fetches them quicker pay-hikes and provides opportunities to face new challenges.
Frequent job-hopping is often viewed by Generation Y as a method to achieve quicker salary increases and diverse professional challenges. This generation prioritizes personal career development and skill acquisition over traditional lifetime employment. They are comfortable navigating changing work environments and seek roles that offer meaningful impact. This outlook allows them to adapt rapidly to technological shifts and evolving industry demands.

26. (D) Engagement is in direct proportion to the efficiency and effectiveness of labour activity.
Engagement is directly proportional to the efficiency and effectiveness of labor activity. Highly engaged employees tend to be more productive and produce higher quality work. While engagement has qualitative aspects, it can also be measured through various quantitative surveys and performance metrics. Levels of engagement typically vary among individuals even within a homogeneous group, depending on personal motivation and workplace conditions.

27. (C) Assertion (A) is true, but Reason (R) is false.
Organizational theory supports a reasonable level of attrition because it prevents stagnation and allows for the infusion of new talent and ideas. However, the claim that zero staff turnover leads to rapid self-renewal is incorrect. In fact, zero turnover often causes organizational decadence and prevents fresh perspectives from entering the firm. A healthy balance of retention and attrition is necessary for vitality.

28. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Employee engagement significantly reduces occupational fatigue because it involves high levels of cognitive immersion and performance energy. When employees are deeply interested and involved in their work, they experience greater fulfillment and less exhaustion. This positive state promotes high performance, making it a critical area of interest for organizations seeking to maximize productivity while maintaining the well-being of their workforce.

29. (D) I, II, III, IV, and V
Effective young leaders possess a combination of intelligence and a high emotional quotient. They are characterized by unique ideas, creative thinking, and an innovative approach to problem-solving. Furthermore, a strong sense of social responsibility is a recognized attribute, reflecting a desire to make a positive impact on society. These qualities enable them to lead diverse teams and navigate modern business challenges.

30. (D) Between 1947 and 1964
Baby Boomers are defined as the generation born roughly between 1947 and 1964, following the conclusion of World War II. This group witnessed significant social and economic shifts throughout their careers. Understanding their birth period is essential for distinguishing their work values, such as loyalty and hierarchy, from those of subsequent generations like Gen X and the tech-savvy Millennials.

31. (D) I, II, III, IV, and V
Practicing diversity and inclusion involves providing various support systems such as child care leaves, nursing rooms, and paid parental leaves. It also includes offering employment opportunities to transgender and differently-abled individuals. Facilities that allow women to return after career breaks further demonstrate an inclusive culture. These practices ensure a supportive environment for all employees, regardless of their personal circumstances or backgrounds.

32. (B) Restricting mobile and social media use for business.
Modern engagement strategies for younger generations often involve embracing technology rather than restricting it. Using gamification, creating open collaborative spaces, and utilizing internal magazines are effective ways to foster a vibrant culture. Restricting mobile and social media use is generally seen as counterproductive for Gen Y employees, who rely on these tools for communication and maintaining professional connections.

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learning, organizations demonstrate care for the employee's overall well-being. This positive impact on mental health ultimately contributes to higher levels of engagement and productivity for everyone.

66. (C) I, II, and IV only
Future legal frameworks for remote work are considering aspects like fixing work hours and reimbursing additional expenses for electricity and internet. Countries like Portugal have already provided legal backing to protect teleworkers. These laws aim to address the challenges of long working hours and the financial burden of home offices. Banning remote work for entire sectors like IT is not progressive.

67. (C) Increased risk of immune system burnout.
An increased risk of immune system burnout is not a benefit of working from home; rather, it would be considered a potential health risk or demerit. Recognized benefits include reduced organizational absenteeism, enhanced motivation levels, and better collaboration across different geographic states. When managed correctly, WFH supports employee health by providing more time for exercise and rest, which generally strengthens the system.

68. (B) Goldman Sachs
Goldman Sachs introduced an enhanced benefits package that includes 20 days of paid leave for an employee whose spouse experiences a miscarriage. This policy reflects a modern corporate commitment to supporting employees during difficult personal times. By providing such specialized leave, the firm demonstrates empathy and recognizes the importance of family well-being, which helps in building a loyal and engaged modern workforce.

69. (A) U-Work requires an employee to put in a minimum of 40 weeks of work in a year.
The statement that U-Work requires a minimum of 40 weeks of work annually is incorrect. In fact, some versions of this flexible model require as little as six weeks of work per year while maintaining certain benefits. These models are based on the concept of flexi-curity, which balances flexibility with security. They allow companies to retain skilled employees who need alternative work arrangements.

70. (C) Community Building
Using platforms like Slack to hold contests and celebrate birthdays is a key strategy for community building among remote teams. These informal interactions help prevent employees from feeling isolated and foster a sense of belonging to the organization. By creating digital spaces for social connection, leaders can maintain a vibrant company culture even when staff members are physically distant from each other.

71. (A) Only I is correct
Modern standing orders in some jurisdictions allow employers and employees to mutually agree on the conditions and hours for remote work. This flexibility acknowledges the changing nature of the workplace. However, modern regulations generally do not prohibit IT sector companies from allowing work from home; instead, they often facilitate it by providing clearer guidelines to ensure both productivity and employee protection today.

72. (A) P-3, Q-2, R-1, S-4
Community building is practiced through virtual games and coffee breaks. Robust communication involves creating information hubs with health links and FAQs. Meaningful goal setting requires clear deliverables and specific tracking metrics. Harnessing learning habits is supported by providing e-learning platforms for technical and creative skills. These diverse strategies help keep remote employees connected, informed, and focused on their personal and professional goals.

73. (B) I, III, and IV only
The hybrid model unifies physical and virtual workspaces and requires some days of physical presence while allowing others to be remote. Implementing this model necessitates a complete redesign of HR policies and procedures to ensure consistency and fairness. There is no single best fit model for all organizations; instead, each firm must tailor the strategy to its specific needs and service delivery.

74. (C) Setting clear deliverables and specific metrics for tracking.
Successful management of remote teams under meaningful goal setting involves establishing clear deliverables and specific metrics for tracking progress. This approach provides

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employees with a transparent understanding of expectations and allows managers to monitor performance without intrusive surveillance. Using digital communication tools like Skype or Slack for regular updates further supports this process, ensuring that goals remain aligned with organizational objectives effectively.

75. (C) I and III only
The U-Work model requires employees to put in a minimum amount of work annually, such as six weeks, depending on the specific agreement. It is designed to cover a large number of office-based employees within an organization. Importantly, employees do not lose access to their retirement or medical benefits; rather, the model offers flexibility while maintaining these essential security components.

76. (D) The monitoring cost of the manager is generally lower and highly efficient when employees work at home.
Monitoring costs for managers are generally not lower when employees work from home; in fact, the lack of direct supervision can increase the complexity of oversight. While recovering information systems is critical for survival, coordination often becomes more difficult in a remote environment. Organizations must develop robust strategies to ensure that critical employees can access systems and maintain operations during incidents.

77. (D) Balancing flexible hours with structured pay and benefits.
Flexi-curity is a modern employment concept that aims to balance the need for flexible working hours with the provision of structured pay and benefits. It seeks to provide employees with the autonomy they desire while ensuring they remain financially secure and protected by medical or retirement plans. This approach is central to new models, helping organizations retain talent by meeting diverse lifestyle needs.

78. (C) Both I and II are correct
Effective communication during remote work should include personal reassurance from leadership to prevent staff panic during crises. It is also essential to provide factual information by linking to reputable external authorities like the CDC or WHO. Combining empathy with accurate data builds trust and ensures that employees remain informed and calm. This balanced approach is crucial for maintaining morale and engagement.

79. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Future-focused organizations are redesigning office layouts to emphasize collaborative spaces rather than traditional individual desks. This change supports the hybrid model, which requires a fit-for-purpose strategy to optimize service delivery. By unifying physical and virtual presence, firms can create environments where employees come together for creative brainstorming and teamwork, while performing more routine or focused tasks remotely for maximum efficiency.

80. (A) P-2, Q-3, R-4, S-1
Major investment banks like Goldman Sachs and JPMorgan installed trading facilities in workers' homes. Amazon established a $5 million relief fund for small businesses during the crisis. Zara offered to manufacture hospital scrubs to support health efforts. Google pledged $1 million to local organizations in its home base. These actions demonstrate how diverse global organizations adapted their resources and responsibility.

81. (C) Portugal
Portugal passed a law stating that employers should not contact staff outside of their established working hours. Furthermore, the legislation forbids bosses from using digital software to track the activities of teleworkers. These rules are part of a broader effort to protect the well-being and privacy of remote employees, ensuring a healthy balance between their professional responsibilities and their personal lives.

82. (A) Infosys - Learners using 'Virtual Proctored Certifications'.
Infosys utilized virtual proctored certifications to allow its learners to continue their professional development during the remote-working period. This digital approach ensures that skill acquisition and verification remain uninterrupted. Other initiatives, like global town halls by different firms, also highlighted the shift toward digital

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engagement strategies. Correctly identifying these specific actions shows an understanding of how technology-driven firms maintained engagement during lockdowns.

83. (D) Reimbursing costs for home office equipment and internet.
To ensure effective work from home, organizations should reimburse employees for costs related to home office equipment and internet usage. Providing necessary tools like laptops through bulk buy plans ensures that work quality is maintained regardless of the employee's location. This financial support reduces the burden on staff and demonstrates the organization's commitment to creating a professional and efficient environment.

84. (A) I, II, III, and IV only
U-Work and Open2U models challenge traditional dynamics by offering flexibility with benefits to both permanent employees and gig workers. Open2U was specifically adapted for markets like India to provide a safety net for non-traditional workers. Decisions in U-Work are based on mutual agreement between the employer and the individual. These models do not replace structured pay entirely but provide flexible alternatives.

85. (C) 5 days
Some corporate benefits policies, particularly in major investment banks, provide up to 5 days of paid leave for the loss of non-immediate family members. This is part of a broader trend toward more compassionate leave policies that recognize diverse family structures and personal needs. Such initiatives help employees manage grief and personal responsibilities, ultimately fostering a more supportive and loyal relationship.

86. (B) Stressed Family Relations
Prolonged periods of remote work can lead to stressed family relations due to the constant close proximity of household members. The overlap of professional and personal space may cause tension and relationship strain, as illustrated by the scenario of an employee and their spouse. Organizations must be aware of these psychological risks and encourage employees to maintain healthy boundaries to protect well-being.

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87. (B) Working on diverse projects with a financial safety net.
The primary advantage of the Open2U model is that it allows gig workers to participate in diverse projects while still receiving a financial safety net and medical benefits. This model bridges the gap between the flexibility of freelance work and the security of traditional employment. It is particularly beneficial for those who seek varied professional experiences without sacrificing protections reserved for full-time members.

88. (B) Fun-filled Engagement
Implementing a system where employees earn points for activities like publishing blog posts is a form of fun-filled engagement through gamification. By rewarding creative contributions with tangible or digital points, organizations make daily tasks more interactive and enjoyable. This approach encourages employees to share their knowledge and insights, fostering a vibrant culture of collaboration and personal expression while strengthening their organizational connection.

89. (B) The Hybrid Model
Closing decentralized offices to create a single collaborative workspace for occasional brainstorming supports the hybrid model. This strategy acknowledges that routine tasks can be performed remotely, while the physical office becomes a hub for teamwork and creativity. By providing a "fit for purpose" space, the organization optimizes its real estate and service delivery while meeting the employee's desire for flexibility.

90. (A) Donating masks and sanitizers - Harnessing Learning Habits
Donating masks and sanitizers is typically classified as a Corporate Social Responsibility (CSR) activity rather than an initiative for harnessing learning habits. Other tools like wellness applications focus on health, gamification provides fun-filled engagement, and cloud-based HR tools facilitate timely recognition. Mislabeling community-focused efforts as learning habit initiatives fails to distinguish between social impact and personal professional development strategies within organizations.

91. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Engaging remote employees in CSR activities during a crisis is an effective engagement strategy because it instills a sense of pride. Employees feel positive about being associated with a brand that helps the community, which strengthens their emotional bond with the company. This dual impact benefits both society and the business by fostering a shared purpose, helping to mitigate the feelings of isolation.

92. (A) P-3, Q-2, R-1, S-4
The 40-40-40 model represents the traditional status quo of work hours and years. U-Work acts as a hybrid workplace prototype requiring a minimal number of annual work weeks. Open2U provides gig workers with medical benefits and a financial safety net. Flexi-curity is the overarching thought process that balances flexibility with security. These concepts highlight the shift toward more adaptable models.

93. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Trends like the Great Resignation led many professionals to seek diverse projects or slower work paces. In response, organizations introduced flexible arrangements like U-Work to retain access to highly skilled talent. Instead of losing these employees entirely, companies offered models that accommodate personal needs while maintaining a professional connection. This strategic shift helps firms navigate labor market changes by providing the variety.

94. (D) Assertion (A) is false, but Reason (R) is true.
The claim that remote work has reduced information asymmetries between workers and employers is generally false, as remote settings can sometimes make information flow more difficult. However, it is true that remote work has demonstrated that improved coordination and working relationships are possible, leading to significant efficiency gains. The pandemic proved that many roles could be performed effectively outside of a traditional office.

95. (A) I, II, III, and IV only
The global pandemic made work from home the new normal and highlighted challenges like professional isolation. It also created opportunities for value creation through the hybrid model and led governments to consider new legal frameworks for remote working. However, companies did not eliminate gamification; many increased its use to keep remote staff engaged. These changes represent a fundamental transformation in work.

96. (B) The UAE recently announced a 4.5-day work week.
A significant trend in global employment is the recent announcement by the UAE of a 4.5-day work week for its public sector. This move reflects a broader global shift toward increasing flexibility and improving work-life balance. Unlike reverting strictly to traditional models, many forward-thinking regions and organizations are experimenting with shorter work weeks and hybrid arrangements to attract talent and enhance well-being.

97. (A) Modern legal frameworks primarily intend to forcefully revert all sectors back to physical office premises.
Modern legal frameworks for remote work do not intend to forcefully revert all sectors to physical premises; instead, they focus on establishing rules for teleworking and protecting employees. Countries like Portugal have led the way in defining labor protections for remote staff. Reports highlight challenges like long working hours, and consultancies are actively assessing the future of employment to help organizations adapt.

98. (A) P-3, Q-4, R-1, S-2
In the UK, the number of people working from home doubled to 2.4 million over eight years. Approximately 70% of Forbes Global 2000 firms are expected to use gamification. Some large firms anticipate an 80:20 ratio of full-time to flexible employees in the long term. Certain flexible models require a minimum of 6 weeks of work annually. These data points illustrate the growing impact.

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99. (D) U-Work Model
The U-Work model allows employees to take a career break while remaining connected to the organization by working for a minimal period, such as six weeks annually. This arrangement enables individuals to care for family while maintaining important medical and retirement benefits. It is a highly flexible alternative to traditional sabbaticals, helping companies retain skilled staff who might otherwise leave today.

100. (B) Only II is correct
Organizational theory does not advocate for absolute zero staff turnover, as some attrition is necessary for self-renewal and innovation. However, it does emphasize that hiring the 'best match' for a role is more effective than simply seeking the 'best candidate' based on qualifications alone. This focus on fit ensures that the individual's skills and personality align with the firm's culture and specific job requirements effectively.

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(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

54. An organization introduces a digital application that allows its workforce distributed across multiple branches to submit ideas at any time and place, rather than waiting for formal monthly meetings. This system aims to make creativity more fluent. Which specific tool serves this purpose?
(A) Transformational leadership index
(B) Collateral structural matrix
(C) Online idea management platform
(D) Bureaucratic feedback portal

Oct/Nov 2017

55. While organizational creativity is connected with individual creativity, they differ conceptually regarding behavioral exhibitions. Which of the following accurately describes this difference?
(A) Organizations must be efficient and predictable, whereas individual behaviors are generally unpredictable.
(B) Individuals must remain strictly predictable, whereas organizations are allowed to behave as they like.
(C) Both organizations and individuals behave efficiently and predictably at all times within the framework.
(D) Individual creativity encompasses organizational creativity entirely through the management of processes.

May/June 2008

56. An employee suggests a workflow process that has never been used in the firm before and has the potential to save significant indirect costs over the next five years. How should this idea be categorized?
(A) Both novel and useful
(B) Neither novel nor useful
(C) Useful but not novel
(D) Novel but not useful

Oct/Nov 2013

57. Identify the incorrect statement regarding 'Innovation'.
(A) Innovation is possible even without a creative environment, as it strictly relies on executing standard procedures.
(B) Innovation includes both the generation of an idea and its implementation phase.
(C) Innovation is encouraged by gathered information from new links and dynamic shared links across departments.
(D) Innovation is referring to an action which links knowledge and ideas into new value for the stakeholders.

May/June 2015

58. Which concept explains that people like most that which is familiar to them, and the more they hear or study something, the more comfortable they become with it?
(A) People like familiar things, and become more comfortable with a subject as they hear or study it more often.
(B) Participative safety involving the freedom to share new ideas without fear of being negatively evaluated.
(C) Risk-propensity which allows employees to explore uncertain outcomes without fear of facing punishment.
(D) Intrinsic motivation driven by internal satisfaction and challenge rather than by external reward systems.

Oct/Nov 2012

59. Read the following statements about the 'Processes' area of managing creativity and choose the correct option.
I. A good idea management process can help increase individual and organizational creativity.
II. A robust and simple idea management platform can solve the problem of individuals forgetting their ideas.
III. A good idea management process avoids giving feedback to prevent discouraging employees.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2011

60. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Adaptive organizational forms such as matrix, networks, collateral, or parallel structures increase the odds for creativity.
Reason (R): An adaptive organizational form is

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automate human labor

(D) An informal network of individuals pursuing personal career goals

May/June 2010

8. Which of the following pairs of 'Organisational Culture Feature' and its 'Alternative Name' is correctly matched?

(A) Stability - Fairness Orientation

(B) Emphasis on Outcome - Achievement Orientation

(C) Innovation - Collaboration Orientation

(D) Emphasis on People - Precision Orientation

Oct/Nov 2011

9. Read the following statements regarding sub-unit grouping and tension within an organization and choose the correct option.

I. Groups of people develop cultural systems based on their sub-unit grouping due to shared common experiences.

II. Sub-unit cultures can be distinguished from the organizational culture by the degree to which they support or challenge it.

III. Tension and conflict are completely avoided when individuals adhere strictly to the subgroup cultural guidelines.

Which of the above statement(s) is/are correct?

(A) I and II only

(B) II and III only

(C) I and III only

(D) I, II, and III

May/June 2023

10. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.

Assertion (A): Organizational culture refers to the employee experience and the organisation's internal view about the employee's perspective regarding loyalty and engagement.

Reason (R): If there is an underlying attitude of resentment or boredom among the workforce, the future of the organisation will remain highly successful and prosperous irrespective of the product quality.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

11. Read the following cultural characteristics that define an innovative organization and choose the correct option.

I. Trust among co-workers and between the employer and the employee.

II. Integrity, meaning co-workers say what they mean and mean what they say.

III. Respect among the employees towards each other.

IV. Humility, where employees accept each other's feelings.

V. Hope, where employees are closed off to possibilities beyond their own experiences.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only

(B) I, II, III, and V only

(C) II, III, IV, and V only

(D) I, II, III, IV, and V

May/June 2006

12. Which of the following describes the definition of 'Culture'?

(A) A basic set of values and concept of morality that create distinctiveness among human groups

(B) The collective effect of the common beliefs, behaviours, and values of the people within a company

(C) Shared patterns of behaviours and interactions, cognitive constructs, and understanding learned by socialization

(D) A pattern of basic assumptions invented, discovered or developed by a given group

Oct/Nov 2017

13. A financial institution expects its data analysts to perform their work with extreme accuracy, ensuring that every decimal point in a financial model is thoroughly verified. This institution places a high value on which characteristic of organizational culture?

(A) Precision Orientation

(B) Achievement Orientation

(C) Competitive Orientation

(D) Rule Orientation

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the time and determines whether companies win or lose.

Oct/Nov 2025

27. How is 'Creativity' broadly defined in the context of generating ideas?
(A) The standardization of multiple qualitatively identical solutions to questions across the entire firm.
(B) Generating or recognizing ideas, alternatives, or possibilities useful in solving organizational problems.
(C) The execution of organizational change through structured management processes and operational standards.
(D) The process of carrying the finest thoughts into reality to yield substantial and long-term financial profits.

May/June 2012

28. Which of the following describes 'Organisational culture'?
(A) As a pattern of basic assumptions discovered by a group as it learns to cope with external and internal problems.
(B) As a combination of factors learned through interaction with the environment during growth years.
(C) As the philosophies, ideologies, and expectations that knit an organization together through shared mission and goals.
(D) As the unwritten rules of conduct and interpersonal behaviour that prevail in the management style.

Oct/Nov 2014

29. When individuals step into organizations as employees, they carry a baggage of cultures, perceptions, and behaviors drawn from their life span. What is the real management task in this context?
(A) To eliminate all subcultures entirely and enforce strict uniformity
(B) To isolate employees with individualistic behaviors from strong team players
(C) To right-size these diverse cultures so as to align with the organisational culture
(D) To allow employees to behave unpredictably based on their paternalistic backgrounds

May/June 2019

30. Match the features of Organisational Culture (List-I) with their respective orientations (List-II).
List I: (Features)
P. Innovation
Q. Attention to Detail
R. Emphasis on Outcome
S. Emphasis on People
List II: (Orientations)
1. Achievement Orientation
2. Risk Orientation
3. Fairness Orientation
4. Precision Orientation
(A) P-1, Q-4, R-2, S-3
(B) P-3, Q-1, R-4, S-2
(C) P-4, Q-2, R-3, S-1
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2006

31. Match the major factors influencing Organisational Creativity (List-I) with their respective sub-factors (List-II).
List I: (Factor)
P. Organisational Climate
Q. Leadership Style
R. Organisational Culture
S. Structure & Systems
List II: (Sub-factors)
1. Participative safety and Open flow of communication
2. Flat structure and Long-termism
3. Freedom of expression and Interaction with small barriers
4. Leader's vision and Develop effective groups
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-1, R-2, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-3, Q-2, R-4, S-1

May/June 2021

32. What is identified as the biggest problem with individual creativity?
(A) The tendency of individuals to be highly predictable in their creative output.
(B) The habit of not recording ideas when they strike and forgetting them later.
(C) Not being heard or the fear of appearing stupid.
(D) A robust and simple idea management platform over-complicating the thought process.

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2. People Orientation
3. Collaboration Orientation
4. Responsibility Orientation

(A) P-3, Q-4, R-2, S-1
(B) P-2, Q-3, R-1, S-4
(C) P-1, Q-4, R-2, S-3
(D) P-4, Q-2, R-3, S-1

Oct/Nov 2023

21. Read the following statements regarding characteristics at the organizational level that encourage creativity and choose the correct option.

I. Operational autonomy and freedom
II. Setting challenging goals and assigning demanding tasks
III. Sense of urgency and timeliness
IV. Spotting creative talents and creating role modelling

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, III, and IV only
(C) II, III, and IV only
(D) I, II, III, and IV

May/June 2016

22. Match the basic features of 'Culture' (List-I) with their corresponding descriptions (List-II).

List I: (Features)
P. Every culture is unique
Q. Cultures are triggers
R. Cultures are dynamic
S. Internal cultures becoming external identity

List II: (Descriptions)
1. Spotlight potential candidates likely to thrive during the hiring process
2. Reflect the energy and spirit found inside the company, setting brands apart
3. Evolve with changes in external factors or operations expansion
4. Organizations sharing the same goal can have quite different strategies

(A) P-1, Q-3, R-2, S-4
(B) P-4, Q-1, R-3, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2009

23. Read the following statements regarding the norms and values of organisational culture and choose the correct option.

I. They serve as clear guidelines as to how employees are to behave within the organisation.
II. They outline the expected code of conduct for employees outside the organisation.

Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2023

24. What is the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself referred to as?
(A) Organizational Design
(B) Organizational Psychology
(C) Organizational Development
(D) Organizational Behavior

Oct/Nov 2018

25. Read the following statements about the features of Organisational Culture and choose the correct option.

I. 'Innovation' encourages employees to take risks in the performance of their jobs.
II. 'Attention to Detail' dictates the degree to which employees are expected to be accurate.
III. 'Emphasis on Outcome' focuses on the results but not on how the results are achieved.
IV. 'Stability' provides consistent and predictable levels of output.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2007

26. Regarding the impact of organizational culture on employees, identify the correct statement.
(A) Culture is a tangible element that shapes work enjoyment and is clearly visible at all times.
(B) Culture operates completely independently of physical manifestations in the workplace.
(C) Incorporating creativity permanently into the culture is described as a one-shot exercise.
(D) Culture surrounds employees at work all of

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CHAPTER 21
Organizational Culture & Creativity

Oct/Nov 2022

1. Identify the incorrect statement regarding the features of 'Culture'.
(A) Cultures need to be grown and nurtured like any relationship.
(B) Brand identity can reflect the energy and spirit found inside the company.
(C) Organizations sometimes fight to keep their cultures from evolving away from their core values.
(D) Organizations should leave their cultures to chance rather than controlling when and if they change.

May/June 2008

2. A sales organization dictates that its group members must be highly assertive rather than easygoing when dealing with rival companies in the marketplace. Which organizational culture characteristic is most evident here?
(A) Collaboration Orientation
(B) Fairness Orientation
(C) Aggressiveness
(D) People Centric

Oct/Nov 2015

3. From the perspective of Human Resource Management, employees remain an important asset of the organization. What is the specific term used to define employees in this context?
(A) Intellectual Assets
(B) Operational Resources
(C) Human Capital
(D) Structural Equity

May/June 2021

4. A complex set of forces affects the nature of organizations today. Into which four areas can these forces be classified?
(A) People, Strategy, Technology, and Leadership
(B) Culture, Structure, Economics, and Environment
(C) People, Structure, Technology, and Environment
(D) People, Process, Product, and Performance

Oct/Nov 2006

5. During the hiring process, a bank's recruitment team evaluates candidates primarily on whether they are likely to thrive in an environment that requires intense teamwork and adaptability. Which feature of culture is the bank leveraging?
(A) Cultures raise internal identity to external identity through branding
(B) Cultures are triggers for spotting potential employees during recruitment
(C) Cultures are dynamic and evolve alongside changes in external factors
(D) Every culture is unique to its specific environment and company goals

May/June 2014

6. Which of the following defines 'Organizational Creativity'?
(A) The implementation of new personnel plans strictly aimed at cost reduction and streamlining operations.
(B) Generating valuable new products, services, or procedures through collective effort in social systems.
(C) The tendency of a single individual to generate ideas isolated from the social system and current trends.
(D) The psychological process of adapting to external environment changes independently through restructuring.

Oct/Nov 2024

7. Organization refers to a collection of people involved in pursuing defined objectives. Conceptually, an organization encompasses the division of work among employees and the alignment of tasks towards the ultimate goal of the company. It is best understood as which of the following?
(A) A purely economic entity operating strictly for profit maximization
(B) A social system which comprises all formal human relationships
(C) A technological framework designed to

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Oct/Nov 2010

33. Identify the correct statement regarding how ideas are evaluated for organizational creativity.
(A) Ideas are considered novel if they are qualitatively distinct from other ideas currently available in the organization.
(B) Ideas are considered useful if they have the potential for direct or indirect value in either the short- or long-term.
(C) Ideas are considered useful only if they have the potential for direct financial value in the immediate short term.
(D) The top management should encourage creativity by immediately discouraging unfeasible suggestions.

May/June 2005

34. Read the following statements regarding the distinction between 'Creativity' and 'Innovation' and choose the correct option.
I. Creativity is generating innovative and appropriate ideas, especially at the individual level.
II. Innovation is the procedure through which these concepts are taken, established, refined, and finally executed.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2022

35. In order to attract, develop and retain creative talent under the 'Resources & Skills' factor, organizations should do all of the following EXCEPT:
(A) Remodel their HR Policies to attract creative talents in abundance.
(B) Ensure sufficient financial resources in the form of capital.
(C) Establish effective and open communication channels.
(D) Assign mundane, non-challenging tasks to the workforce spotted to have creative talents.

May/June 2018

36. Arrange the following procedural steps through which innovative concepts pass into a pipeline in the correct order.
I. Executed and/or applied
II. Taken
III. Settled
IV. Refined
V. Established
(A) II, V, IV, III, I
(B) II, IV, V, III, I
(C) V, II, IV, III, I
(D) II, V, III, IV, I

Oct/Nov 2016

37. Which of the following pairs of 'Cultural characteristics defining an innovative organisation' and its 'Description' is incorrectly matched?
(A) Hope - Employees restrict themselves strictly to their own past experiences.
(B) Trust - Among co-workers and also between the employer and the employee.
(C) Faith - Employees believe in their own abilities and have confidence to move forward.
(D) Humility - Employees accept each other feelings with all humbleness.

May/June 2014

38. An IT firm introduces a system that clearly and fairly evaluates the work of its employees. It simultaneously launches a program providing non-financial incentives to employees who demonstrate creative problem-solving. This approach primarily addresses which factor influencing creativity?
(A) Organizational Climate
(B) Leadership Style
(C) Individual Autonomy
(D) Structure & Systems

Oct/Nov 2007

39. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Individual creativity has a huge advantage on organizational creativity in regards to the environment when online platforms are used.
Reason (R): Online platforms force employees into mandatory brainstorming sessions, thereby extracting creativity fluently.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true,

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May/June 2019

14. A customer immediately associates a specific brand with high energy, innovation, and a vibrant spirit, which is a direct reflection of how the employees operate internally. This scenario best illustrates which feature of culture?
(A) Cultures are dynamic and need to be nurtured
(B) Every culture is unique regardless of similar goals
(C) Internal cultures becoming part of the external identity
(D) Cultures act as triggers for candidate selection

Oct/Nov 2013

15. Read the following statements regarding the key considerations to capitalize on creativity and innovation and choose the correct option.
I. Creativity and innovation are highly complex phenomena at any given level of analysis.
II. Phenomena operating at one level are always well integrated and perfectly consistent with those operating at other levels.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2015

16. The essence of an organization revolves around the development of certain elements which guide and are reinforced by organizational behaviour. Which of the following elements forms this essence?
(A) Shared meanings, beliefs, values, and assumptions
(B) Financial targets, quarterly results, and operational metrics
(C) Technological advancements and infrastructural growth
(D) External market share and competitor analysis

Oct/Nov 2012

17. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Organizational Behavior is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations.
Reason (R): The purpose of applying such knowledge is aimed towards improving an organization's effectiveness.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

18. All of the following are included in the definition and explanation of Organizational Culture, EXCEPT:
(A) The absolute restriction of information flow strictly to the topmost level of the hierarchy.
(B) The ways the organization conducts its business, treats its employees, customers, and the wider community.
(C) The extent to which freedom is allowed in decision making, developing new ideas, and personal expression.
(D) How committed employees are towards collective objectives.

Oct/Nov 2020

19. A government regulatory agency focuses heavily on maintaining bureaucratic rules, ensuring predictability, and operating best in non-changing market conditions. Which characteristic of organizational culture is prominent in this agency?
(A) Innovation
(B) Individual Autonomy
(C) Emphasis on Outcome
(D) Stability

May/June 2022

20. Match the features of Organisational Culture (List-I) with their respective orientations (List-II).
List I: (Features)
P. Teamwork
Q. Individual Autonomy
R. People Centric
S. Aggressiveness
List II: (Orientations)
1. Competitive Orientation

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III. Finding good problems
(A) I, II, III
(B) III, I, II
(C) II, III, I
(D) I, III, II

Oct/Nov 2005

47. A media company seeking to foster creativity realizes it must provide physiological and physical comforts for its workforce. If it fails to do so, what is the likely consequence?
(A) The organization will become hyper-competitive.
(B) A new idea might be rejected and the status quo remains unchanged.
(C) The employees will become highly risk-prone.
(D) The flat structure will automatically revert to a bureaucratic one.

May/June 2020

48. Match the major factors influencing Organisational Creativity (List-I) with their respective sub-factors (List-II).
List I: (Factor)
P. Organisational Culture
Q. Structure & Systems
R. Resources & Skills
S. Organisational Climate
List II: (Sub-factors)
1. Effective system of communication
2. Performance standards
3. Self-initiated activity
4. Rewarding creative performance
(A) P-1, Q-4, R-3, S-2
(B) P-4, Q-2, R-1, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2015

49. What is identified as the biggest problem in organizational creativity?
(A) Not being heard or the fear of appearing stupid.
(B) The lack of physical comforts for the workforce.
(C) Forgetting ideas before they are submitted to a platform.
(D) Being overly motivated by forced brainstorming sessions.

May/June 2013

50. A commercial bank restructures its operations by removing several layers of middle management, resulting in a system where frontline employees can directly communicate with regional heads. This is advocated to make a big difference in fostering creativity. What type of structure is this?
(A) Bureaucratic structure
(B) Rigid structure
(C) Flat structure
(D) Mechanistic structure

Oct/Nov 2021

51. Which of the following defines Creativity as "the capability to work in an ideal manner both novel (i.e. authentic, miraculous) and applicable (i.e. valuable, flexible concerning mission pressure)"?
(A) The organizational climate model
(B) The developmental socialization model
(C) The individual capacity model
(D) The creative orientation model

May/June 2024

52. Which factor is defined as a comprehensive impression of one's organization and individual influence on the working environment, which in turn impacts the individual's behaviour and work-related attitudes?
(A) Leadership Style
(B) Organizational Structure
(C) Individual Autonomy
(D) Organizational Climate

Oct/Nov 2008

53. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): The cultures that encourage and support risk-propensity enhance creative talents in organisations.
Reason (R): People are generally risk-averse when they do not secure any potential gains out of such risk.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.

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but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2025

40. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): A democratic, participative and transformational leadership is more conducive to fostering creativity.
Reason (R): True leaders have a vision, potential to view the present as it is, and direct their energy to reflect what the organisation's future could and should be.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2019

41. Match the extensive organizational factors related to creativity (List-I) with their descriptions (List-II).
List I: (Organizational Factor)
P. Organizational motivation and support
Q. Resources
R. Management practices
List II: (Description)
1. Acknowledges the extent of job environment linked to organization creative activities
2. Everything the organization should have available to aid targeted work, e.g., training, time
3. Encourages innovation and creativity intrinsically across the organization
(A) P-1, Q-2, R-3
(B) P-3, Q-2, R-1
(C) P-2, Q-3, R-1
(D) P-3, Q-1, R-2

May/June 2009

42. Various studies on 'Organizational Culture' and 'Creativity' have summed up that there are five major factors that influence creativity in organizations. Which of the following is NOT one of these five factors?
(A) Organizational climate
(B) Structure & systems
(C) External market competition
(D) Resources & Skills

Oct/Nov 2011

43. To remedy the conflicting characteristics between employees and organizations as regard to risk-taking, organizations should focus on three specific areas. Which of the following is NOT one of these areas?
(A) People
(B) Profitability
(C) Environment
(D) Processes

NODIA

May/June 2010

44. Read the following statements regarding 'Structure & Systems' as a factor influencing creativity and choose the correct option.
I. Bureaucratic, mechanistic, or rigid structures increase the probability of organizational creativity.
II. Adaptive organizations adjust operations quickly to meet rapid changes in the market.
III. Employees are most creative when organizational systems motivate them primarily by the interest, satisfaction, and challenge of the work itself.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2024

45. Identify the correct statement regarding the view of innovation as a process of change.
(A) As solely the psychological awareness of new technologies.
(B) As the generation of generous thoughts without any implementation phase.
(C) As changes with the purpose of getting more profits due to competitive ways.
(D) As a process of distinguishing interaction from present information.

May/June 2017

46. Arrange the following phases of 'Organisational Creativity' in the correct chronological order.
I. Solving them
II. Implementing good solutions

flexible enough to adapt to the changing needs and developmental stages of an organization.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2020

61. Which of the following is identified as the approach which corrects all mistakes and creates encouragement to bring new ideas, overcoming conflicts and continuous learning tendencies?
(A) Structural rigidity
(B) Mechanistic evaluation
(C) Generous behavior
(D) Procedural deviation

May/June 2022

62. Identify the correct statement regarding "Management's visible Role-Modeling".
(A) Employees observe leaders' behaviours more than they listen and hear their words.
(B) If leaders demonstrate ethical standards, their words always speak louder than their actions.
(C) Role-modeling implies that top management is exempt from the ethical standards they preach.
(D) High-profile leaders should avoid displaying ethical behaviour in moments of truth to test employees.

Oct/Nov 2023

63. A bank spots a brilliantly conceived new financial product designed by an employee. However, they fail to launch it due to fierce competitor pushback and technological hurdles. What did the bank fail to achieve?
(A) Innovation
(B) Organizational climate
(C) Creativity
(D) Individual autonomy

May/June 2016

64. Read the following statements regarding 'Rewards and Punishments' for ethical behavior and choose the correct option.
I. Violating the code should attract serious consequences across all levels of the workforce.
II. Performance appraisals of managers should exclude evaluations of how decisions measure up against the code of ethics.
III. Positive reinforcements like recognition and appreciation of ethical behavior are very vital.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

Oct/Nov 2009

65. Which of the following pairs of 'Creative Leader Quality' and its 'Description' is incorrectly matched?
(A) Urge to acquire new knowledge - Being a visionary and evolving appropriate solutions
(B) Boldness - Aiming big and taking calculated risks
(C) Autonomy/Freedom - Forceful assertion and venting of feelings
(D) Self-reliance - Tendency to take on challenging tasks and determining to reach goals

May/June 2023

66. All of the following are true regarding the fostering of an open culture, EXCEPT:
(A) Whistle-blowers are considered the enemy because they disrupt organizational loyalty.
(B) A submissive and sycophantic culture is inimical to the creation of an ethical culture.
(C) Top Management should investigate all allegations that come to them.
(D) Allegations are important signals about the health and culture of a company.

Oct/Nov 2018

67. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): In any organization, creativity without innovation has a very small or no value.
Reason (R): Innovation is the crucial procedure that ensures brilliant ideas succeed against competition pressure, technological tasks, and obstacles to reach the marketplace.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of

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behavior through written rules guarantees compliance regardless of leadership actions.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2014

80. A regional manager decides to launch a completely new banking project that requires significant capital. Despite the uncertainties, she takes calculated risks and shows immense confidence in her own capabilities to make it big. Which quality is she displaying?
(A) Compassion
(B) Involvedness
(C) Flexible
(D) Boldness

Oct/Nov 2007

81. Identify the incorrect statement regarding the handling of whistle-blowers and allegations in an organization.
(A) Whistle-blowers help bring critical vision to those who may be wilfully blind to internal issues.
(B) The messages whistle-blowers send should never be ignored or suppressed.
(C) The lack of allegations is absolute proof that the company is doing exceedingly well and has no serious problems.
(D) People should feel safe enough to make allegations regarding internal communication and openness.

May/June 2025

82. Read the following statements regarding organizational culture's influence on innovation and choose the correct option.
I. Support components draw attention to appreciation and rewards, resources accessibility, time, IT, and generous people.
II. Generous behavior corrects mistakes and creates encouragement to bring new ideas.
III. Well balanced teamwork enables individual capabilities to endorse innovation & creativity successfully.
IV. Strategy ensures employees never deviate from finding gaps in past circumstances.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2019

83. Which of the following pairs of 'Creative Leader Quality' and its 'Description' is correctly matched?
(A) Involvedness - Empathy for those in distress
(B) Flexible - Confidence in managing conflicts and crisis
(C) Compassion - Habit of constant questioning
(D) Self-reliance - Confidence in operating in unfamiliar situations

NODIA

May/June 2009

84. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Mere framing and formulating a code of ethics, norms, rules and regulations in organizations is fully sufficient to ensure an ethical culture.
Reason (R): Code of ethics must be supported by the right infrastructure, including an ethics hotline and ethics resources.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

85. During a sudden market crash, a branch manager seamlessly adapts to the new regulatory constraints, calms the conflicting staff, and operates confidently in the unfamiliar chaotic situation. Which two qualities is the manager primarily exhibiting?
(A) Compassion and Boldness
(B) Involvedness and Autonomy
(C) Flexible and Self-reliance
(D) Urge to acquire new knowledge and Compassion

on the misbehavior of organizations.
II. Whether an organization develops a culture of doing the right thing ultimately comes down to whether leaders consider the ethical consequences of their actions.

Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2021

74. Creative managers are observed to possess a variety of traits. Which of the following is NOT one of those traits?
(A) They are intrinsically motivated rather than motivated by extrinsic factors.
(B) They are far from being loners and deliberately involve other people.
(C) They are highly risk-averse and strictly adhere to orthodox methods.
(D) They have the ability to develop other people's ideas.

Oct/Nov 2010

75. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): Problematic unethical behavior should be forcefully reinforced if the organization wishes to extinguish these undesirable behaviors.
Reason (R): Positive reinforcements and social reinforcements for desirable ethical behaviors go a long way to promote the desired ethical culture.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

76. An employee at a logistics company figures out a new route optimization formula in their mind (Idea). The company then allocates a budget, develops a software module, and deploys it across its fleet, leading to a 10% cost reduction (Execution). The former and latter actions represent respectively:
(A) Innovation and Organizational Behavior
(B) Creativity and Innovation
(C) Innovation and Creativity
(D) Risk-propensity and Innovation

Oct/Nov 2022

77. Match the elements of 'Ethical Skill Building and Problem Solving' (List-I) with their descriptions (List-II).
List I: (Element)
P. Workshops and reference materials
Q. Extemal subject matter experts
R. Ethics ombudsman
S. The core focus of this strategy
List II: (Description)
1. Provides a focal point for getting tools and resources to help with ethical consultation
2. Developing effective ethical decision making and behavior skills rather than just stating rules
3. Ways institutions can assist in training staff to use available tools
4. Can be brought in to engage staff at all levels of training and problem solving
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-4, S-1
(C) P-4, Q-1, R-2, S-3
(D) P-3, Q-4, R-1, S-2

May/June 2018

78. On an organizational level, a CEO uses transformational management styles and implements a strong support system within the organization. What does this secure in addition to fostering creativity?
(A) The organisation's bureaucratic dominance
(B) The elimination of individual autonomy
(C) Complete immunity from external market forces
(D) The organisation's longevity and competitiveness

Oct/Nov 2016

79. The following question consists of two statements, an Assertion (A) and a Reason (R). Choose the correct option.
Assertion (A): The code of ethics is essentially worthless if top management fails to adhere to ethical behaviors themselves.
Reason (R): Creating clear expectations for

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their compliance with the ethics code. Which strategy does this predominantly represent?
(A) Rewards and Punishments
(B) Foster an open culture
(C) Offer ethical education/training
(D) Provide Corrective Feedback

Oct/Nov 2021

93. Read the following statements regarding 'Provide Corrective Feedback' as a strategy for an ethical culture and choose the correct option.
I. Corrective feedback needs to be given in the spirit of collaboration and rightsizing behaviours.
II. Timely corrective feedback for undesirable behaviour is vital to create a culture of ethical behaviours.
III. Corrective feedback should primarily be used to find faults and strictly punish employees.
IV. Collaboration and education allow less defensiveness when feedback is provided.
V. Immediate feedback is crucial to maximize the clear understating of the problem behaviour.
Which of the above statement(s) is/are correct?
(A) I, II, IV, and V only
(B) II, III, IV, and V only
(C) I, II, III, and V only
(D) I, III, IV, and V only

May/June 2024

94. Read the following statements about the scope of creativity in the Banking space and choose the correct option.
I. The term creativity has more connotations as it is essentially to be fostered in all operational and administrative verticals.
II. Creating ethical values and behaviours is one of the core functions of Developmental HR.
III. HR should ably equip themselves with skills to encourage employees to right-size their attitudes and behaviours.
IV. Fostering ethical cultures has an avowed objective of making banks truly successful and effective.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

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Oct/Nov 2008

95. An employee notices their supervisor embezzling funds. The employee approaches an external consultant hired by the company who investigates the complaint confidentially, ensuring the employee's identity is protected and their job is secure. Which specific strategy facilitated this?
(A) Provide safe and protective mechanisms
(B) Rewards and Punishments
(C) Offer ethical education/training
(D) Visible Role-Modeling

May/June 2006

96. The CEO of a major financial firm decides to strictly decline all expensive gifts from clients and publicly returns them, ensuring all employees witness this protocol. The CEO's action is an application of which ethical strategy?
(A) Focus on Ethical Skill Building
(B) Management's visible Role-Modeling
(C) Provide safe and protective mechanisms
(D) Provide Corrective Feedback

Oct/Nov 2017

97. Read the following statements regarding organizational success and choose the correct option.
I. Conducive culture and robust creativity in the workplace are regarded as key drivers for organizational success.
II. Fostering creativity is exclusively the responsibility of line managers and business heads, with HR having no role.
III. The role of HR is very vital in imbibing creative cultures and harnessing them on an ongoing process.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2008

98. Identify the correct statement regarding the provision of corrective feedback in organizations.
(A) It should be delayed to ensure the employee forgets the incident before they are formally confronted.
(B) Unless organizations offer timely and thoughtful corrective feedback, they cannot

May/June 2010

86. Creativity has often been defined as divergent thinking. What does this mean conceptually?
(A) Thinking strictly along established procedural lines and focusing on standard operating protocols.
(B) Thinking in different directions to which present thoughts deviate from past thoughts within free association
(C) Merging the existing information into identical methods through standardized logical integration.
(D) The tendency to avoid risk and maintain stability

Oct/Nov 2024

87. To create an ethical culture regarding rewards, business leaders must deeply understand the difference between which two concepts?
(A) A financial incentive and a non-financial incentive
(B) A stretched target and an unrealistic one
(C) A bureaucratic rule and an adaptive rule
(D) Intrinsic motivation and extrinsic motivation

May/June 2017

88. Match the essential qualities of a Creative Leader/Manager (List-I) with their descriptions (List-II).
List I: (Quality)
P. Autonomy/Freedom
Q. Flexible
R. Self-reliance
S. Boldness
List II: (Description)
1. Passion for starting own ventures/projects
2. Confidence in operating in unfamiliar situations
3. Confidence in managing conflicts and crisis, faster adoption to change
4. Questioning the status quo, open to others' views but keeping decision with self
(A) P-4, Q-3, R-2, S-1
(B) P-4, Q-2, R-3, S-1
(C) P-3, Q-4, R-1, S-2
(D) P-1, Q-3, R-2, S-4

Oct/Nov 2005

89. Read the following statements about methods for offering ethical education and training and choose the correct option.
I. E-learning programmes
II. Intranet and communication apps
III. Seminars and workshops
IV. Town hall meetings
V. Suppressing an ethics hotline
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2020

90. Read the following statements regarding the traits of creative managers and choose the correct option.
I. They are energetic, unorthodox, and experimenting.
II. They share characteristics of effective managers such as good communication and being a good motivator.
III. They are generally introverts with an internal focus.
IV. They are able to tackle conflict and challenge other's ideas.
V. They are generally problem solvers focusing on results.
Which of the above statement(s) is/are correct?
(A) I, II, IV, and V only
(B) I, II, III, and IV only
(C) II, III, IV, and V only
(D) I, II, III, IV, and V

NODIA

Oct/Nov 2015

91. Identify the incorrect statement regarding the implementation of ethics training.
(A) Repeated follow-up and refresher programmes are essential.
(B) A one-time exercise in training and communication is completely sufficient for ensuring total compliance.
(C) E-learning programmes should test participants' understanding through case studies.
(D) Innovative digital and online social media educational platforms can be used to create awareness among Gen Y employees.

May/June 2013

92. A bank introduces a mandatory e-learning program where new hires must read case studies, pass a knowledge test, and self-certify

external stakeholders, ultimately defining the organization's unique identity.

17. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Organizational behavior is a field dedicated to investigating how individuals, groups, and structures influence behavior within a company. The primary objective of applying this knowledge is to enhance organizational effectiveness. By understanding these dynamics, management can implement strategies that improve productivity, employee satisfaction, and overall performance, ensuring the organization meets its goals efficiently while maintaining a positive and supportive workplace.

18. (A) The absolute restriction of information flow strictly to the topmost level of the hierarchy.
Organizational culture encompasses how business is conducted and how employees, customers, and the community are treated. It also involves the degree of freedom allowed for decision-making and personal expression. Restricting information flow strictly to the top levels of hierarchy contradicts the collaborative and inclusive nature of a healthy organizational culture and its collective objectives, which rely on effective internal communication.

19. (D) Stability
Stability as a cultural characteristic focuses on maintaining bureaucratic rules, ensuring predictability, and operating efficiently in non-changing environments. Organizations that prioritize stability often value traditional methods and standardized procedures over risk-taking. This approach is common in government regulatory agencies where consistency and adherence to established protocols are essential for maintaining public trust and order while ensuring a predictable output level.

20. (A) P-3, Q-4, R-2, S-1
Teamwork aligns with collaboration orientation, as it emphasizes collective effort. Individual autonomy corresponds to responsibility orientation, highlighting personal accountability. Being people-centric is a form of people orientation, focusing on the well-being of employees. Aggressiveness is linked to competitive orientation, where the organization prioritizes assertive behavior and market dominance over rival companies to ensure it wins in the competitive marketplace.

21. (D) I, II, III, and IV
Several organizational factors encourage creativity, including operational autonomy and the setting of challenging goals. Assigning demanding tasks pushes employees to think innovatively, while a sense of urgency ensures timely progress. Furthermore, spotting creative talent and providing role models helps cultivate a culture where innovative thinking is valued, recognized, and emulated throughout the entire workforce, leading to long-term organizational competitiveness.

22. (B) P-4, Q-1, R-3, S-2
Every culture is unique because organizations with similar goals often adopt different strategies. Cultures act as triggers by spotlighting potential candidates during hiring. Being dynamic means cultures evolve with external changes or expansion. Finally, internal cultures become external identities when the energy and spirit found inside the company set the brand apart in the market, creating a distinct and recognizable image.

23. (C) Both I and II
Cultural norms and values provide essential guidelines for employee behavior within the organization. They define what is acceptable and expected during daily operations. Additionally, these values often outline the expected code of conduct for employees when they represent the organization externally. This ensures consistency in professional behavior and maintains the organization's reputation in the wider community through reliable and principled interactions.

24. (D) Organizational Behavior
Organizational behavior is the formal study of human behavior in organizational settings, the interface between people and the organization, and the organization itself. It seeks to understand why people act as they do and how their actions affect performance. This field draws from psychology, sociology, and management to improve organizational effectiveness and

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create a robust culture of ethics.

(C) It is designed exclusively to instil fear and intimidation among the workforce regarding compliance.

(D) It replaces the need for any formal code of ethics.

Oct/Nov 2013

99. During the annual review, a branch manager achieved all financial targets. However, the HR department evaluated the means taken to achieve these goals and penalized the manager for violating customer transparency rules. This practice aligns with which strategy?

(A) Focus on Ethical Skill Building

(B) Safe and protective mechanisms

(C) Communicate clearly the do's and don'ts

(D) Rewards and Punishments

May/June 2015

100. Read the following statements summarizing organizational dynamics of culture and creativity and choose the correct option.

I. Creativity is essential in all operational and administrative verticals in banks.

II. Management of Cultures and Creativity is purely a line function and bypasses HR.

III. The contemporary and developmental role of HR involves creating ethical values among the workforce.

IV. 'Culture' can influence 'Creativity' in organizations, and 'Creativity' can also impact 'Culture'.

V. Individual creativity requires suitable idea management processes like digital platforms.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only

(B) I, III, IV, and V only

(C) II, III, IV, and V only

(D) I, II, III, IV, and V

NODIA

ANSWERS

1. (D) Organizations should leave their cultures to chance rather than controlling when and if they change.
   Organizational culture is a deliberate construct that reflects shared values and beliefs. It needs to be nurtured and grown like a relationship rather than being left to chance. Leaving culture to chance risks misalignment with core values and strategic goals. Brands often reflect this internal energy, and management should actively control when and if their organizational cultures change.

2. (C) Aggressiveness
   Aggressiveness as an organizational culture characteristic describes the degree to which employees are expected to be assertive and competitive rather than easygoing. This trait is often visible when dealing with rival companies in the marketplace. It focuses on maintaining a competitive edge through direct action and a strong, proactive stance to ensure the organization remains dominant against competitors.

3. (C) Human Capital
   Human capital refers to the collective skills, knowledge, and experience of individuals within an organization. From a Human Resource Management perspective, employees are viewed as valuable assets that contribute to productivity and growth. This term emphasizes that people are an investment whose value can be increased through training, development, and support to achieve long-term organizational success.

4. (C) People, Structure, Technology, and Environment
   The nature of modern organizations is shaped by four primary forces: people, structure, technology, and environment. People represent the internal social system, while structure defines roles and relationships. Technology provides the tools for task performance. The environment includes external factors that influence how the organization operates and survives within its marketplace, necessitating constant adaptation to maintain overall organizational effectiveness.

5. (B) Cultures are triggers for spotting potential employees during recruitment
   Organizational culture serves as a vital tool during the recruitment process to identify candidates who align with internal values. By evaluating whether individuals can thrive in specific environments, such as those requiring intense teamwork, companies ensure a better cultural fit. This strategic use of culture helps in selecting talent that sustains goals and enhances the overall performance of the bank.

6. (B) Generating valuable new products, services, or procedures through collective effort in social systems.
   Organizational creativity involves the collective effort of individuals within a social system to produce novel and useful outcomes. These outcomes include new products, services, or operational procedures that provide value. It transcends individual brilliance by integrating diverse perspectives and skills into a cohesive process that benefits the entire organization through continuous innovation and improvements in overall productivity and operational effectiveness.

7. (B) A social system which comprises all formal human relationships
   An organization is conceptually understood as a social system consisting of formal human relationships. It involves a collection of people working together toward defined objectives through the division of labor. This system ensures that individual tasks are aligned with the ultimate goals of the company, fostering cooperation and structured interaction among employees to ensure the entity operates successfully and efficiently.

8. (B) Emphasis on Outcome - Achievement Orientation
   Organizational culture features often have alternative names that describe their focus. Emphasis on outcome is also known as achievement orientation because it prioritizes results and accomplishments. Other features

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include innovation, which focuses on risk-taking, and attention to detail, known as precision orientation. Fairness orientation relates to the emphasis placed on people within the firm during management decisions and actions.

9. (A) I and II only
Sub-unit cultures develop within organizations because groups share common experiences and challenges. These sub-cultures are distinguished by how much they support or challenge the overarching organizational culture. While adhering to subgroup guidelines provides identity, it does not completely eliminate tension and conflict, as different sub-units may have competing interests or priorities that require management intervention to ensure operational alignment.

10. (C) Assertion (A) is true, but Reason (R) is false.
Organizational culture deeply impacts employee loyalty and engagement through their internal experiences. However, an underlying attitude of resentment or boredom among the workforce is detrimental to long-term success. Regardless of product quality, a disengaged workforce hampers productivity and innovation. Sustained prosperity requires a positive internal environment where employees feel motivated and valued, rather than experiencing negative emotions and boredom.

11. (A) I, II, III, and IV only
Innovative organizations are defined by core characteristics like trust, integrity, respect, and humility. Trust involves mutual confidence between employees and employers, while integrity ensures co-workers are honest and reliable. Respect fosters a supportive environment, and humility allows for accepting others' feelings. Conversely, being closed off to possibilities hinders innovation, as hope should represent openness to new and diverse future possibilities.

12. (C)Shared patterns of behaviours and interactions, cognitive constructs, and understanding learned by socialization
Culture is defined by the shared patterns of behaviors, interactions, and cognitive constructs that individuals learn through socialization. It encompasses the collective understanding and common beliefs held by a group. This framework provides a sense of identity and guides how members perceive, think, and react to various situations within their specific social or organizational environment, ensuring consistency and shared purpose.

13. (A) Precision Orientation
Precision orientation is an organizational culture characteristic where employees are expected to demonstrate high levels of accuracy and attention to detail. In financial institutions, this manifests as a requirement for thorough verification of data and models. This focus ensures that work is performed with exactness, minimizing errors that could lead to significant financial, operational, or regulatory risks for the firm.

14. (C) Internal cultures becoming part of the external identity
An organization's internal culture often shapes its external brand identity. When employees operate with high energy and innovation, these characteristics are reflected in how customers perceive the brand. This alignment between internal spirit and external branding helps set the company apart from competitors, creating a unique and recognizable image in the marketplace that attracts customers and builds strong brand loyalty.

15. (A) Only I
Creativity and innovation are recognized as highly complex phenomena that require analysis at multiple levels, including individual, group, and organizational. However, phenomena operating at different levels are not always well integrated or perfectly consistent. Conflicts between individual creative drives and organizational structural needs are common, requiring careful management to ensure overall alignment and successful execution of new ideas and processes.

16. (A) Shared meanings, beliefs, values, and assumptions
The essence of an organization is found in its shared meanings, beliefs, values, and assumptions. These elements form the foundation of organizational culture and guide behavior across all levels. They are reinforced by the actions of members and provide a common framework for understanding goals, making decisions, and interacting with colleagues and

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Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

68. A department head is known for listening to all team members' viewpoints regarding a new policy. However, he ultimately retains the final decision-making power with himself and forcefully asserts his viewpoint when executing the plan. Which quality of a creative manager is evident?
(A) Urge to acquire new knowledge
(B) Autonomy/Freedom
(C) Compassion
(D) Involvedness

Oct/Nov 2025

69. Read the following statements about communicating ethical expectations and choose the correct option.
I. Ethical ambiguities can be reduced by creating and disseminating the code of ethics.
II. Cultural norms play a vital role, as what may seem harmless in one culture may be unacceptable in another.
III. The code must only set out norms of behaviour without providing consequences for violations.
IV. Communication should clearly state the organization's basic values in unambiguous terms.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) I, II, and IV only
(C) II, III, and IV only
(D) I, III, and IV only

May/June 2012

70. Match the essential qualities of a Creative Leader/Manager (List-I) with their descriptions (List-II).
List I: (Quality)
P. Urge to acquire new knowledge
Q. Compassion
R. Involvedness
S. Boldness
List II: (Description)
1. Empathy for those in distress, responsiveness to delicate aspects
2. Calculated risk taking, aiming big, having confidence in own abilities
3. Habit of constant questioning as to 'how' and 'why' of things
4. Potent with maturity and forward-looking, being a visionary
(A) P-1, Q-3, R-4, S-2
(B) P-4, Q-2, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-3, Q-4, R-1, S-2

Oct/Nov 2014

71. Read the following statements regarding 'Safe and protective mechanisms' and choose the correct option.
I. Formal mechanisms should allow employees to report unethical behavior without fear of reprimand.
II. An objective third party such as an ethics counsellor or ombudsman cannot be helpful in sensitive situations.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2019

72. Identify the incorrect statement regarding the impact of organizational culture on creativity.
(A) Effective organizations have the ability to engross innovation into the organizational society.
(B) Creativity can be optimally stimulated through superficial exposure to people from different cultures, rather than deep interactions.
(C) Organizational culture has shown a strong influence on the point to which innovation and creativity are stimulated.
(D) Employees' creativity can be fostered by specific individual, organizational, and cultural factors.

Oct/Nov 2006

73. Read the following statements regarding ethical organizational culture and choose the correct option.
I. Having an organizational culture that emphasizes ethical behavior can cut down

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employee well-being within various complex business environments.

25. (D) I, II, III, and IV
Organizational culture features include innovation, which encourages risk-taking, and attention to detail, which focuses on accuracy. Emphasis on outcome prioritizes results over the methods used to achieve them. Stability ensures consistent and predictable output levels. Together, these characteristics shape the internal environment, influencing how employees perform their jobs and how the organization achieves its objectives in an efficient and competitive manner.

26. (D) Culture surrounds employees at work all of the time and determines whether companies win or lose.
Culture is a pervasive force that constantly surrounds employees in the workplace. It subtly influences every interaction and decision, ultimately determining whether a company succeeds or fails. Unlike tangible assets, culture is an intangible yet powerful element that shapes morale, productivity, and innovation. It is not a one-time exercise but an ongoing influence on organizational performance and employee work satisfaction.

27. (B) Generating or recognizing ideas, alternatives, or possibilities useful in solving organizational problems.
Creativity is defined as the ability to generate or recognize ideas, alternatives, and possibilities that are useful for solving problems. It involves looking at challenges from new perspectives and finding novel solutions. In an organizational context, this capacity allows for improved communication, effective problem-solving, and the development of new products or processes that enhance overall competitiveness and long-term financial efficiency.

28. (A) As a pattern of basic assumptions discovered by a group as it learns to cope with external and internal problems.
Organizational culture is a pattern of basic assumptions that a group discovers or develops while learning to cope with internal and external challenges. These assumptions are taught to new members as the correct way to perceive, think, and feel. This shared framework helps unify the organization, providing a common identity and guiding collective behavior toward achieving important goals.

29. (C) To right-size these diverse cultures so as to align with the organisational culture
When employees join an organization, they bring diverse cultural backgrounds and perceptions. The critical management task is to "right-size" these individual cultures, aligning them with the overarching organizational culture. This process involves integrating varied perspectives into a cohesive framework that supports the company's values and goals, rather than eliminating diversity or allowing unpredictable, unaligned behaviors to disrupt workplace harmony.

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30. (D) P-2, Q-4, R-1, S-3
Innovation is linked to risk orientation, as it encourages employees to take chances. Attention to detail corresponds to precision orientation, emphasizing accuracy. Emphasis on outcome is associated with achievement orientation, focusing on results. Finally, emphasis on people aligns with fairness orientation, ensuring that management decisions take into account the impact on individuals within the organization to maintain a positive environment.

31. (C) P-3, Q-4, R-1, S-2
Organizational climate is characterized by freedom of expression and small barriers to interaction. Leadership style involves the leader's vision and the development of effective groups. Organizational culture thrives on participative safety and open communication flow. Structure and systems are most effective when they are flat and focus on long-termism, encouraging a sustainable and innovative environment that supports continuous creative development.

32. (B) The habit of not recording ideas when they strike and forgetting them later.
One of the most significant hurdles to individual creativity is the failure to record ideas immediately. Valuable insights often occur spontaneously and can be easily forgotten if not documented. This loss of potential innovation can be mitigated by using idea management platforms or simple note-taking habits, ensuring that creative thoughts are

might appear "stupid," they withhold their contributions. Overcoming this requires a culture of participative safety where all voices are valued, and feedback is provided in a constructive, supportive, and non-threatening manner.

50. (C) Flat structure
A flat structure is characterized by fewer levels of middle management and shorter communication lines between frontline employees and top leadership. This design facilitates faster information flow and increases individual autonomy, which are critical for fostering creativity. By removing bureaucratic layers, organizations allow for more direct interaction and quicker decision-making, encouraging employees at all levels to contribute valuable and innovative ideas.

51. (D) The creative orientation model
The creative orientation model defines creativity as the capability to work in an ideal manner that is both novel and applicable. It emphasizes that creative outputs must be authentic and valuable while remaining flexible under mission pressure. This definition highlights the balance between original thinking and the practical requirements of an organization's goals, ensuring that creativity serves a functional and valuable purpose.

52. (D) Organizational Climate
Organizational climate refers to the collective perceptions and impressions employees have about their work environment and their influence within it. This climate significantly impacts individual behavior, motivation, and work-related attitudes. A positive climate, characterized by trust and support, encourages employees to engage more deeply with their tasks and feel comfortable sharing innovative ideas that benefit the whole organization and its goals.

53. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
Cultures that support risk-taking definitely enhance creative talent because employees feel empowered to experiment. It is also true that people are generally risk-averse if they perceive no potential gains from taking risks. However, the reason for being risk-averse does not fully explain why supportive cultures enhance creativity; the latter is more about removing the fear of failure and punishment.

54. (C) Online idea management platform
Online idea management platforms are digital tools that allow employees to submit, discuss, and track creative suggestions at any time. These platforms make creativity more fluent by capturing ideas when they occur, regardless of geographical location. They overcome the limitations of traditional meetings, ensuring that a steady stream of innovative thoughts is collected, documented, and evaluated systematically by the entire organization.

55. (A) Organizations must be efficient and predictable, whereas individual behaviors are generally unpredictable.
A conceptual difference between organizational and individual creativity lies in their behavioral expectations. Organizations are generally expected to operate with efficiency and predictability to ensure stability and stakeholder trust. In contrast, individual creative behaviors are often unpredictable and divergent by nature. Managing creativity involves balancing these needs to ensure that individual innovation supports organizational goals without causing operational instability or chaos.

56. (A) Both novel and useful
An idea is categorized as novel if it represents a significant departure from current practices, such as a workflow never used before in the firm. It is considered useful if it has the potential to provide value, such as saving indirect costs over a long period. Since the employee's suggestion meets both criteria, it is an example of a creative contribution.

57. (A) Innovation is possible even without a creative environment, as it strictly relies on executing standard procedures.
Innovation cannot thrive in a vacuum; it requires a creative environment that supports the generation and implementation of new ideas. It is an action-oriented process that links knowledge to value for stakeholders. Without a culture that encourages information sharing and the development of new links across departments, the execution of standard procedures alone will

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41. (B) P-3, Q-2, R-1
Organizational motivation and support involve intrinsic encouragement of innovation across the firm. Resources encompass everything available to assist work, such as time, capital, and training. Management practices refer to the specific job environment and its link to creative activities. Together, these factors determine the extent to which an organization can successfully cultivate and harness the creative potential of its members.

42. (C) External market competition
The five major factors that influence creativity within an organization are organizational climate, leadership style, organizational culture, structure and systems, and resources and skills. While external market competition may drive the need for innovation, it is an external force rather than an internal organizational factor that management can directly shape to foster a creative, supportive, and innovative work environment.

43. (B) Profitability
To align employee risk-taking with organizational needs, management should focus on three areas: people, processes, and environment. People strategies involve hiring and training for risk-propensity. Process strategies ensure that operational workflows support experimentation. Environment strategies create a safe culture where failure is seen as a learning opportunity. Profitability is a result of these efforts, not a primary area for direct remediation.

44. (B) II and III only
Adaptive organizations, which use flexible structures like networks or matrixes, are better suited for creativity as they can adjust quickly to market changes. Employees are most creative when they are intrinsically motivated by the challenge and satisfaction of the work itself. Bureaucratic or rigid structures typically hinder creativity by imposing strict protocols and limiting the freedom necessary for original and innovative thinking.

45. (C) As changes with the purpose of getting more profits due to competitive ways.
Innovation can be viewed as a process of change aimed at increasing value or profitability through competitive means. It involves translating new ideas into products or services that meet market demands. This perspective emphasizes that innovation is not just about thinking; it is about implementing changes that improve the organization's position and ensure long-term sustainability in a highly competitive business environment.

46. (B) III, I, II
Organizational creativity follows a chronological sequence starting with finding good problems to address. Once a problem is identified, the next phase involves generating and selecting effective solutions to solve it. Finally, the chosen solutions must be implemented to produce tangible results. This three-step process ensures that creative efforts are directed toward relevant challenges and lead to practical, valuable organizational improvements.

47. (B) A new idea might be rejected and the status quo remains unchanged.
If an organization fails to provide basic physiological and physical comforts, employees may lack the security and energy needed for creative thinking. In such environments, the pressure to conform and maintain stability is high. Consequently, any new ideas presented are likely to be rejected by the system, leaving the status quo unchanged and stifling the potential for necessary and innovative organizational change.

48. (D) P-3, Q-4, R-1, S-2
Organizational culture is supported by self-initiated activity. Structure and systems are reinforced by rewarding creative performance. Resources and skills depend on an effective system of communication to share knowledge. Organizational climate is influenced by performance standards that define expectations. These sub-factors work together to create an environment where creativity can be systematically encouraged and successfully integrated into daily business operations.

49. (A) Not being heard or the fear of appearing stupid.
The most significant barrier to organizational creativity is the psychological fear of negative evaluation or being ignored. When employees feel their ideas will not be heard or that they

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preserved for future evaluation, refinement, and eventual organizational development.

33. (B) Ideas are considered useful if they have the potential for direct or indirect value in either the short- or long-term.
Evaluation of ideas for organizational creativity depends on both novelty and usefulness. An idea is novel if it differs qualitatively from existing solutions. Usefulness is determined by the potential for the idea to provide direct or indirect value, whether in the short or long term. Management should encourage this by fostering an environment where diverse suggestions are seriously considered and refined.

34. (C) Both I and II
Creativity is the initial generation of innovative and appropriate ideas, primarily at the individual level. Innovation is the subsequent procedure where these ideas are captured, refined, established, and executed within the organization. While creativity provides the raw conceptual material, innovation involves the practical application and implementation of those concepts to create real value for the organization, stakeholders, and the marketplace.

35. (D) Assign mundane, non-challenging tasks to the workforce spotted to have creative talents.
To retain creative talent, organizations must provide challenging and meaningful work rather than mundane tasks. Creative individuals thrive on complexity and the opportunity to use their skills to solve difficult problems. Assigning repetitive or unstimulating work can lead to disengagement and turnover, undermining the organization's efforts to build a robust pool of innovative, motivated, and skilled personnel across all levels.

36. (A) II, V, IV, III, I
Innovative concepts follow a specific pipeline to reach implementation. First, an idea is "taken" or identified. Next, it is "established" to ensure it has a foundation. Then, it undergoes "refinement" to improve its viability. After being "settled" or finalized, the concept is finally "executed" or applied. This structured approach ensures that ideas are thoroughly vetted, developed, and successfully integrated.

37. (A) Hope - Employees restrict themselves strictly to their own past experiences.
Hope in an innovative organization refers to an openness to new possibilities and a belief in future success, rather than restricting oneself to past experiences. Restricting thoughts to the past is the opposite of being innovative. Characteristics like trust, faith in one's abilities, and humility are correctly matched traits as they foster an environment where employees feel safe to explore ideas.

38. (D) Structure & Systems
Structure and systems influence creativity through mechanisms like performance standards and reward systems. When an organization implements fair evaluation processes and provides incentives for creative problem-solving, it reinforces the value of innovation. These systemic approaches ensure that creativity is not just encouraged verbally but is integrated into the formal operations and motivational framework to drive consistent organizational growth and development.

39. (C) Assertion (A) is true, but Reason (R) is false.
Online platforms offer a significant advantage for organizational creativity by allowing employees to share ideas anytime and anywhere. This flexibility overcomes geographical and temporal barriers. However, forcing employees into mandatory brainstorming sessions can actually stifle creativity. Fluent creativity is better extracted when individuals feel free to contribute spontaneously through robust, user-friendly digital tools rather than through forced and rigid participation.

40. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Democratic and transformational leadership styles are highly conducive to fostering creativity because they encourage participation and individual growth. True leaders possess a vision that looks beyond the present state to what the organization could become. By directing energy toward this future potential and involving employees in the process, they create an environment where innovative thinking is both inspired and supported professionally.

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not lead to true and successful organizational innovation.

58. (A) People like familiar things, and become more comfortable with a subject as they hear or study it more often.
The concept of familiarity suggests that people tend to prefer things they are already acquainted with. In an organizational context, the more employees are exposed to a specific subject or idea, the more comfortable and accepting they become. This psychological tendency highlights the importance of repeated communication and training when introducing new concepts, cultures, or changes within the workplace for better acceptance.

59. (A) I and II only
A well-designed idea management process is essential for increasing both individual and organizational creativity. Using robust digital platforms helps capture ideas instantly, preventing them from being forgotten. However, avoiding feedback is detrimental; constructive feedback is necessary to guide employees and show them that their contributions are valued, which further encourages continued and meaningful participation in the creative and innovative process.

60. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Adaptive organizational forms, such as matrix or network structures, significantly increase the odds for creativity because they are inherently flexible. These structures can quickly adapt to the changing needs and developmental stages of an organization. By allowing for fluid roles and cross-functional collaboration, they create a dynamic environment where new ideas can be easily generated, shared, and implemented successfully.

61. (C) Generous behavior
Generous behavior within an organization is an approach that focuses on correcting mistakes constructively and encouraging the submission of new ideas. This behavior helps overcome conflicts and promotes continuous learning among employees. By creating a supportive atmosphere, generous behavior ensures that individuals feel valued and safe to experiment, which is fundamental to fostering a thriving, creative, and innovative organizational culture.

62. (A) Employees observe leaders' behaviours more than they listen and hear their words.
Role-modeling is a powerful leadership tool because employees are more influenced by what leaders do than what they say. When managers consistently demonstrate ethical behaviors and a commitment to innovation, they set a standard for the entire organization. Their actions in "moments of truth" serve as a blueprint for employees, reinforcing the company's core values, culture, and professional expectations.

63. (A) Innovation
Creativity involves the generation of a new idea, such as the bank's brilliantly conceived financial product. However, innovation requires the successful execution and launch of that idea in the marketplace. If the bank fails to launch the product due to external hurdles or competition, it has achieved creativity but failed to achieve innovation, which encompasses the entire practical implementation and deployment phase.

64. (C) I and III only
For an ethical culture, it is essential that violations of the code attract serious consequences at all levels. Simultaneously, positive reinforcements like recognition and appreciation for ethical behavior are vital for encouraging compliance. Performance appraisals should not exclude ethics; instead, they must evaluate how well managers' decisions align with the code of ethics to ensure accountability and maintain organizational integrity.

65. (C) Autonomy/Freedom - Forceful assertion and venting of feelings
The urge to acquire new knowledge is defined by a habit of constant questioning, rather than being a visionary. Being a visionary and evolving solutions is more closely related to having involvedness and maturity. Other qualities like boldness and autonomy are correctly matched traits as they foster an environment where employees feel safe to explore ideas. Autonomy involves openness to others' views while keeping the final decision-making power with oneself.

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83. (D) Self-reliance - Confidence in operating in unfamiliar situations
Self-reliance is correctly defined as having the confidence to operate effectively in unfamiliar situations. Other qualities are often misunderstood: compassion relates to empathy for those in distress, while the habit of constant questioning is linked to the urge to acquire knowledge. Flexible leadership involves confidence in managing crises and adopting change quickly, rather than just managing conflicts or avoiding difficult situations.

84. (D) Assertion (A) is false, but Reason (R) is true.
Simply framing and formulating a code of ethics is never sufficient to ensure an ethical culture. For a code to be effective, it must be supported by the right infrastructure, including ethics hotlines and resources. This provides employees with the tools they need to understand and apply ethical standards, making the abstract rules a practical and vital part of daily operations.

85. (C) Flexible and Self-reliance
By seamlessly adapting to regulatory changes and managing conflicts during a crisis, the manager exhibits flexibility. Operating confidently in an unfamiliar and chaotic situation is a clear sign of self-reliance. These traits allow leaders to remain effective and maintain stability for their teams even when faced with sudden market shifts or significant operational challenges that disrupt normal business routines.

86. (B) Thinking in different directions to which present thoughts deviate from past thoughts within free association
Divergent thinking involves moving away from established procedural lines to explore various directions. It allows present thoughts to deviate from past ones through free association, leading to multiple unique solutions. This conceptual approach is the opposite of convergent thinking, which focuses on standard logical integration. Divergent thinking is essential for creativity as it encourages the exploration of novel and valuable alternatives.

87. (B) A stretched target and an unrealistic one
To maintain an ethical culture, leaders must distinguish between stretched targets, which motivate high performance, and unrealistic ones, which may drive employees to unethical behavior to achieve them. Setting unachievable goals can create immense pressure, leading individuals to cut corners or falsify data. Understanding this difference ensures that reward systems encourage excellence without compromising the organization's ethical standards or integrity.

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88. (A) P-4, Q-3, R-2, S-1
Autonomy involves questioning the status quo while keeping decision-making power. Flexibility is the confidence to manage crises and adopt change quickly. Self-reliance is the ability to operate confidently in unfamiliar situations. Boldness reflects a passion for starting new ventures and aiming big. These traits combined define a leader who can navigate the complexities of fostering organizational innovation and success.

89. (A) I, II, III, and IV only
Effective ethical education uses various methods including e-learning, intranet communication, seminars, and town hall meetings to reach employees. These platforms provide consistent messaging and opportunities for discussion. Suppressing an ethics hotline is counterproductive; an open and active reporting system is a critical component of ethical training and awareness, ensuring that employees have a safe channel for raising ethical concerns.

90. (A) I, II, IV, and V only
Creative managers are typically energetic, unorthodox, and effective communicators who can motivate others. They are skilled problem solvers who focus on results and are not afraid to tackle conflict or challenge existing ideas. While they may have different personalities, they are generally not defined as introverts with an internal focus; instead, they often actively involve others in the process.

91. (B) A one-time exercise in training and communication is completely sufficient for ensuring total compliance.
A one-time training exercise is never sufficient for ensuring total compliance with ethical standards. Ethical culture requires repeated follow-up and refresher programs to keep values top-of-mind. E-learning programs should use case studies to test understanding, and modern digital platforms

being highly risk-averse. They are intrinsically motivated and possess the ability to develop the ideas of others through collaboration. While they may share common effective management traits like good communication, their willingness to challenge established methods and embrace change distinguishes them from more traditional, orthodox, and risk-avoidant managers.

75. (D) Assertion (A) is false, but Reason (R) is true.
Unethical behavior should never be reinforced; it must be extinguished through appropriate corrective actions and punishments. On the other hand, providing positive and social reinforcements for desirable ethical behaviors is a highly effective way to promote a healthy organizational culture. Recognizing and rewarding right-sizing efforts ensures that employees understand which behaviors are valued and expected by the company for its future.

76. (B) Creativity and Innovation
The creation of a new route optimization formula in an employee's mind represents creativity, as it is the generation of a novel idea. The subsequent allocation of a budget and the deployment of software to achieve cost reductions represent innovation, as they involve the execution of that idea. Together, these steps transform a creative concept into a tangible and valuable organizational benefit.

77. (D) P-3, Q-4, R-1, S-2
Workshops and reference materials are ways institutions train staff on available tools. External experts can be brought in to engage staff at all levels. An ethics ombudsman provides a focal point for ethical resources and consultation. The core focus of this strategy is developing actual ethical decision-making skills rather than simply stating a set of rigid and impersonal rules.

78. (D) The organisation's longevity and competitiveness
When a CEO implements transformational management styles and strong support systems, they do more than just foster creativity; they secure the organization's longevity and competitiveness. By empowering employees and encouraging innovation, the leader ensures the company can adapt to market changes and maintain a competitive edge. This holistic approach builds a resilient organization capable of long-term survival and continued success.

79. (C) Assertion (A) is true, but Reason (R) is false.
A code of ethics is only effective if top management leads by example; their failure to adhere to ethical standards renders the code worthless in the eyes of employees. Written rules alone do not guarantee compliance, especially if leadership actions contradict them. Real ethical behavior is driven more by observed leadership behavior and organizational culture than by formal, written documentation alone.

80. (D) Boldness
Boldness in a creative leader is characterized by a passion for starting new projects, taking calculated risks, and having immense confidence in one's own abilities to succeed. By launching a capital-intensive project despite market uncertainties, the regional manager demonstrates this trait. Bold leaders are willing to aim big and move forward into unfamiliar situations with a strong and unwavering sense of self-assurance.

81. (C) The lack of allegations is absolute proof that the company is doing exceedingly well and has no serious problems.
A lack of allegations is not proof that a company is problem-free; instead, it may indicate a culture of fear where employees do not feel safe enough to speak up. Whistle-blowers are vital for providing vision to those who may be blind to internal issues. Organizations should ensure that people feel safe to report concerns and that their messages are valued.

82. (A) I, II, and III only
Support components like resources and IT facilitate innovation, while generous behavior encourages new ideas by constructively correcting mistakes. Well-balanced teamwork allows individual capabilities to successfully endorse creativity. However, strategy should not prevent employees from finding gaps; rather, it should provide a framework that encourages looking beyond past circumstances to identify new opportunities and areas for growth and improvement.

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66. (A) Whistle-blowers are considered the enemy because they disrupt organizational loyalty.
In an open culture, whistle-blowers are valued as essential signals for the health of the organization. They provide critical insight into issues that might otherwise be ignored. Viewing them as enemies disrupts loyalty and creates a submissive culture hostile to ethics. Top management should investigate all allegations to maintain transparency and address cultural or operational failures promptly, ensuring a healthy work environment.

67. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Creativity alone provides limited value to an organization if it is not followed by innovation. Innovation is the essential procedure that allows brilliant ideas to overcome obstacles like competition and technological challenges to reach the market. Without the execution phase, creative concepts remain mere thoughts, failing to generate the tangible value, competitive advantage, or market impact that the organization requires.

68. (B) Autonomy/Freedom
Autonomy or freedom in a creative manager involves the ability to question the status quo and remain open to others' viewpoints. However, it also includes keeping the final decision-making power with themselves and forcefully asserting their perspective when necessary. This balance allows for the inclusion of diverse ideas while ensuring that a clear, decisive direction is maintained during the execution phase.

69. (B) I, II, and IV only
Reducing ethical ambiguity requires creating and communicating a clear code of ethics that outlines basic values. Cultural norms are vital, as perceptions of acceptable behavior vary. However, a code is incomplete if it does not provide consequences for violations. Clear communication must encompass both the expected standards and the repercussions of failing to meet those organizational benchmarks to ensure total compliance.

70. (C) P-3, Q-1, R-4, S-2
The urge to acquire new knowledge is marked by a habit of constant questioning. Compassion involves empathy and responsiveness to those in distress. Involvedness is characterized by being visionary and forward-looking. Boldness reflects confidence in one's own abilities, taking calculated risks, and aiming big. These qualities enable leaders to inspire and manage the creative output of their teams effectively and professionally.

71. (A) Only I
Organizations must provide formal mechanisms that allow employees to report unethical behavior without fear of reprimand. This ensures that internal issues are brought to light. Objective third parties, such as an ethics counsellor or ombudsman, are actually very helpful in sensitive situations as they provide a confidential and impartial channel for employees to seek guidance, report concerns, or resolve conflicts.

72. (B) Creativity can be optimally stimulated through superficial exposure to people from different cultures, rather than deep interactions.
Optimal creativity is not stimulated through superficial exposure but through deep interactions and a meaningful integration of different cultural perspectives. Effective organizations engross innovation into their culture, showing a strong influence on how creativity is stimulated. Individual and organizational factors also play a key role, making a supportive and inclusive culture essential for long-term innovative success and sustained organizational competitiveness.

73. (C) Both I and II
A culture that emphasizes ethical behavior is effective at reducing organizational misbehavior. It creates a collective understanding of right and wrong within the workforce. Ultimately, the development of such a culture depends on whether leaders lead by example and consider the ethical consequences of their own actions. Leaders set the tone for the entire workforce, making their commitment to ethics paramount.

74. (C) They are highly risk-averse and strictly adhere to orthodox methods.
Creative managers are typically energetic, unorthodox, and willing to experiment rather than

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can engage younger employees. Continuous education is necessary to adapt to new challenges and reinforce the organization's commitment to ethics.

92. (C) Offer ethical education/training
Providing mandatory e-learning programs with case studies and knowledge tests is a direct application of the strategy to offer ethical education and training. These tools ensure that all employees have a baseline understanding of the ethics code and their responsibilities. Self-certification further reinforces personal accountability, making the training a formal and documented part of the employee's ongoing professional development.

93. (A) I, II, IV, and V only
Timely and immediate corrective feedback is essential for creating an ethical culture, as it helps employees understand and fix problem behaviors quickly. Feedback should be given in a spirit of collaboration and education, which reduces defensiveness. It is not intended strictly for finding faults or punishment but rather for rightsizing behaviors to align with the organization's values and ethical standards.

94. (D) I, II, III, and IV
In banking, creativity is vital across all operational and administrative verticals. Creating ethical values is a core function of developmental HR, which should equip itself to help employees right-size their attitudes. Fostering these ethical cultures is aimed at making banks successful and effective. Together, these elements ensure that the organization remains competitive while maintaining a strong foundation of internal integrity.

95. (A) Provide safe and protective mechanisms
Providing safe and protective mechanisms involves creating channels where employees can report unethical behavior without fear of retaliation. Using an external consultant to conduct a confidential investigation ensures the employee's identity is protected. This strategy is crucial for uncovering internal misconduct and demonstrating the organization's commitment to ethics, as it provides a secure environment for whistle-blowers to share critical information.

96. (B) Management's visible Role-Modeling
When a CEO publicly declines and returns expensive gifts, they are practicing visible role-modeling. This action sets a clear ethical standard for all employees to follow. By making the protocol visible, the leader reinforces the organization's values through direct action rather than just words. This behavior is more likely to be emulated by the workforce, strengthening the overall ethical culture and integrity.

97. (C) I and III only
Conducive culture and robust creativity are primary drivers for organizational success. HR plays a vital role in imbibing these cultures and harnessing them through ongoing processes. It is incorrect to say that fostering creativity is exclusively the responsibility of line managers; instead, it is a collaborative effort where HR provides the necessary framework, training, and support to cultivate and sustain innovation.

98. (B) Unless organizations offer timely and thoughtful corrective feedback, they cannot create a robust culture of ethics.
Robust ethical cultures require timely and thoughtful corrective feedback to address undesirable behaviors as they occur. Delaying feedback makes it less effective, as the link between the action and the consequence becomes less clear. Feedback should be used constructively to guide behavior, not just to instill fear. It serves as a necessary and vital supplement to the formal code of ethics.

99. (D) Rewards and Punishments
The strategy of rewards and punishments involves evaluating both the results achieved and the means used to reach them. Penalizing a manager for violating transparency rules, even if they met financial targets, reinforces that ethical conduct is just as important as performance. This approach ensures that rewards are only given for achievements that align with the organization's code of ethics.

100. (B) I, III, IV, and V only
Creativity is essential across all banking verticals, and HR plays a developmental role in creating ethical values. Culture and creativity have a reciprocal influence on each other, and individual creativity is best supported by digital

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idea management platforms. It is incorrect to suggest that culture and creativity management bypasses HR; HR is central to establishing and maintaining these vital organizational dynamics.

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CHAPTER 22

Corporate Sustainability & Green HRM

Oct/Nov 2018

1. Who introduced the triple bottom line concept to Sustainable HRM in 2011?
(A) Thom and Zaugg
(B) Mariappanadar
(C) Renwick, Redman, & Maguire
(D) Jackson et al.

May/June 2021

2. Which statement is correct concerning the Environmental Pillar of Corporate Sustainability?
(A) It focuses on how internal and external stakeholders are affected and treated by the banking organization.
(B) It promotes the utilization of socio-economic resources to establish profitability and stable operations.
(C) It stresses the impact of business on the environment by implementing systems that reduce the footprint.
(D) It is solely responsible for creating job portals to reduce the travel requirements of recruitment candidates.

Oct/Nov 2005

3. What is the precise definition of 'Triple Bottom Line HRM'?
(A) An HRM approach that places collective societal interests above organizational needs to solve global climate challenges.
(B) An HRM model that limits business operations exclusively to philanthropic activities and non-profit community engagement.
(C) An HRM function characterized by the maximization and balancing of economic, environmental, and social organizational goals.
(D) An HRM strategy that focuses solely on financial profitability while outsourcing environmental compliance to external agencies.

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May/June 2013

4. Identify the incorrect statement regarding 'Green Compensation and Reward Management'.
(A) Fixed compensation should encompass increments or allowances to reward acquisition of specific green skills.
(B) Executive incentive payments can consider carbon emission standards and energy regeneration as key factors.
(C) Employee compensation programs cannot be modified to offer bonuses based on environmental competencies.
(D) Green rewards can include workplace benefits, ranging from carbon credit offsets to free bicycles.

Oct/Nov 2024

5. How does 'Economic Sustainability' balance profitability with other organizational goals?
(A) By generating maximum short-term profits while deferring environmental compliance costs to future generations.
(B) By using socio-economic resources efficiently to provide long-term benefits without creating social issues.
(C) By isolating financial operations from Human Resource Management to ensure completely unbiased internal audits.
(D) By distributing corporate profits equally among all external stakeholders regardless of the bank's financial viability.

May/June 2016

6. All of the following are considered 'Other Initiatives' towards Environmental Management as a part of green endeavours in banks, EXCEPT:
(A) Adapting paperless banking through extensive use of HRMS for employee benefit schemes.
(B) Suppressing telework and remote work policies to ensure direct physical oversight of employee environmental practices.
(C) Encouraging car-pooling/sharing facilities for executives provided with bank's cars.

environmental improvements.
(B) To legally mandate the use of electric vehicles by all employees through strictly enforced disciplinary policies.
(C) To eliminate traditional performance appraisals by replacing them with automated environmental auditing systems.
(D) To ensure that all employee bonuses are derived exclusively from the recycling of surplus workplace materials.

Oct/Nov 2007

21. The ISO 14000 family incorporates several standards for environmental management. Which of the following is NOT a specific function mentioned for these standards?
(A) Providing the key performance indicators (KPIs) for the environmental PMS.
(B) Offering additional guidelines for implementing and reporting the standard.
(C) Dictating the mandatory financial penalties for non-compliance with global supply chain labor wages.
(D) Measuring greenhouse gas accounting, verification, and environmental communication.

May/June 2025

22. Which concept did the earlier form of Sustainable HRM, termed as 'Soft HRM', primarily focus on conserving?
(A) Financial Capital
(B) Human Capital
(C) Ecological Capital
(D) Social Capital

Oct/Nov 2019

23. Why does the 'Common Good HRM' model represent a fundamental shift from previous models of HRM?
(A) It abandons human capital development to focus exclusively on industrial environmental waste management protocols.
(B) It replaces formal performance appraisals with informal peer reviews to significantly reduce employee stress levels.
(C) It restricts HR practices to internal compliance and intentionally avoids addressing non-business objectives.
(D) It assumes that resolving societal sustainability challenges is the primary responsibility of a business.

May/June 2009

24. Identify the incorrect statement regarding the differences between Corporate Social Responsibility and Corporate Sustainability.
(A) Corporate Sustainability focuses more on the present, whereas Corporate Social Responsibility focuses more on the past.
(B) CSR is more about compliance, whereas Corporate Sustainability is about the whole business value chain.
(C) CSR targets opinion formation, whereas Corporate Sustainability looks at the entire organizational structure.
(D) CSR is managed by the communications team, while Sustainability is managed by Operations and Marketing.

Oct/Nov 2017

25. Which statement correctly describes a feature of 'Sustainable HRM'?
(A) It promotes short-term cost-driven practices to maximize investor returns at the expense of employee development.
(B) It seeks positive human outcomes by implementing sustainable work systems that facilitate work-life balance.
(C) It isolates environmental objectives from human resource performance evaluations to maintain operational clarity.
(D) It concentrates purely on external stakeholders, disregarding the well-being and health of internal customers.

May/June 2017

26. How is 'Green HRM' specifically defined in relation to environmental management?
(A) Aligning human capital management with aggressive cost-cutting measures to maximize short-term return on investment.
(B) Developing an outside-in corporate strategy prioritizing non-business objectives over local regulatory compliance.
(C) Executing mandatory governmental audits to impose penalties on employees demonstrating anti-environmental behavior.
(D) Integrating environmental management into HR policies to promote sustainable resource use across the organization.

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(D) It operates on the assumption that individual organizational needs are superior to collective societal interests.

May/June 2019

14. In the transition from Human Capital Management to Strategic HRM, what is the primary ideological shift regarding the HR function?

(A) Shifting from broad-based employee welfare to managing HR as an isolated operational department within the firm.

(B) Moving from an outside-in approach focused on societal challenges to an inside-out focus on employee training.

(C) Shifting from ROI maximization to integrating HR with corporate business objectives and strategic goals.

(D) Transforming environmental policies into mandatory compliance mechanisms for comprehensive financial risk mitigation.

Oct/Nov 2006

15. The broad multipurpose frame of reference of 'Common Good HRM' differs from earlier approaches in several ways. Which of the following is NOT one of those ways?

(A) It necessitates radically reviewing the traditional profit-oriented viewpoint of organizations.

(B) It reverses the business perspective from inside-out to outside-in.

(C) It aims to support business leaders and employees in contributing to ecological and social progress.

(D) It primarily focuses on an economic purpose to drive internal operational compliance.

May/June 2010

16. How is 'Strategic HRM' defined in the context of organizational management?

(A) The practice of aligning human resource practices with an organization's business strategy to achieve its set goals.

(B) The application of sustainable development principles focused purely on reducing carbon footprints and waste management.

(C) The management of personnel focused on resolving societal challenges such as poverty, youth unemployment, and corruption.

(D) The routine administrative maintenance of employee welfare, benefits, and compensation operating in isolation from business goals.

Oct/Nov 2022

17. Identify the incorrect statement about 'Green Recruitment & Selection' in the banking industry.

(A) Resumes and onboarding documentation must be processed via hard copies to ensure legal validity.

(B) It means a paper-free recruitment process using online telephonic or video calling mechanisms.

(C) It involves hiring prospective employees skilled in sustainability and familiar with environmental policies.

(D) Job descriptions for announced positions can include environmental aspects, such as reporting roles.

May/June 2018

18. Under which standard are the key performance indicators (KPIs) for the environmental Performance Management System provided?

(A) ISO 14001

(B) ISO 14000

(C) ISO 14004

(D) Global Reporting Initiative

Oct/Nov 2016

19. Identify the correct statement about the impact of 'Pro-Environmental Behaviour (PEB)' on an organization.

(A) Voluntary PEB decreases organizational sustainability by diverting focus away from core economic tasks.

(B) PEB represents mandatory compliance actions enforced by regulators rather than employee-driven initiatives.

(C) The result of voluntary PEB is an immediate increase in raw material usage to facilitate green innovations.

(D) PEB decreases the footprint, reduces environmental degradation, and improves environmental performance.

May/June 2014

20. What is the core rationale behind integrating 'Green Performance Management' into a corporate strategy?

(A) To measure ecological standards and gain data on performance to support continuous

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(D) Utilizing recycled solar energy and replacing energy-intensive bulbs with LED tubes.

Oct/Nov 2008

7. What is the fundamental definition of 'Corporate Sustainability'?
(A) A management process focused on maximizing short-term economic gains via strategic resource allocation to boost investor confidence.
(B) A long-term strategy creating stakeholder value through ethical, social, environmental, cultural, and economic dimensions.
(C) A corporate strategy integrating voluntary community service and philanthropic investments to safeguard the company's market reputation.
(D) A regulatory framework designed to measure total greenhouse gas emissions emitted during complex industrial and manufacturing operations.

May/June 2022

8. Identify the correct statement regarding the difference between Corporate Social Responsibility and Corporate Sustainability.
(A) Corporate Social Responsibility looks forward and develops a comprehensive sustainable strategy for the future.
(B) Corporate Social Responsibility reflects on what a company has done in the past to contribute to society.
(C) Corporate Sustainability is managed by the communications team to protect a company's market reputation.
(D) Corporate Sustainability relies solely on opinion formation among major media outlets and local politicians.

Oct/Nov 2014

9. Identify the incorrect statement about the 'Social Pillar' of corporate sustainability.
(A) It is concerned with how employees and external stakeholders are affected and treated by the organization.
(B) It mandates that businesses prioritize the extraction of natural resources to ensure job creation in developing markets.
(C) It relates to practices that promote the health, safety, and wellbeing of employees, customers, and communities.
(D) It involves ensuring that the work environment along the supply chain is safe and that people are paid fairly.

May/June 2024

10. What percentage of employees at organizations with high engagement levels agreed they worked for an employer committed and responsible for societal and environment interests?
(A) 68 per cent
(B) 76 per cent
(C) 86 per cent
(D) 94 per cent

Oct/Nov 2011

11. The direct results of voluntary Pro-Environmental Behaviour (PEB) include all of the following, EXCEPT:
(A) A decrease in energy and raw material usage.
(B) A decrease in pollution and wastes.
(C) The detection of faults in plant and equipment harming the environment.
(D) The immediate generation of new emerging markets for corporate expansion.

May/June 2007

12. What does the term 'Green Staffing' encompass?
(A) Providing interest-free loans to employees for purchasing hybrid cars or energy-efficient home appliances.
(B) Utilizing Global Reporting Initiative guidelines to report diversity management and occupational health safety.
(C) Hiring individuals possessing environmental management qualifications, skills, mindsets, attitudes, and behaviors.
(D) Designing training programs for top management to improve the quality of corporate sustainability reporting.

Oct/Nov 2025

13. Identify the correct statement about 'Common Good HRM'.
(A) It involves an openness to non-business objectives of societal fairness, workplace democracy, and human rights.
(B) It necessitates that organizations review operational procedures strictly to maximize their traditional profit-oriented viewpoint.
(C) It incorporates an 'inside-out' perspective to manage internal resources before addressing external issues.

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Oct/Nov 2021

27. All of the following are features of 'Sustainable HRM', EXCEPT:
(A) Committing to short-term cost-driven practices that maximize output regardless of the impact on communities.
(B) Promoting proactive steps to develop mutually beneficial relationships between employees and resource providers.
(C) Supporting environmentally-friendly organizational practices and sustainable development strategies.
(D) Facilitating employee participation, open communication, and work-life balance without compromising performance.

May/June 2020

28. What does 'Green Auditing' primarily involve within the banking sector?
(A) Introducing online auditing of bank books and conducting internal energy audits.
(B) Using eco-friendly locations for all physical branch expansions.
(C) Implementing a suggestion scheme to generate eco-friendly practices.
(D) Evaluating the carbon footprint of customers' loan portfolios.

Oct/Nov 2015

29. Identify the incorrect statement regarding 'Triple Bottom Line HRM'.
(A) It characterizes the HRM function by the maximization and balancing of economic, environmental, and social goals.
(B) It is susceptible to possible sources of paradoxical sustainability tensions, ambiguity, and conflict in business areas.
(C) It limits the scope of Sustainable HRM strictly to a societal and human dimension, excluding environmental factors.
(D) It redefines performance in win-win-win terms of "people, profits, and planet" shared-values.

May/June 2012

30. How does 'Socially Responsible HRM' serve an economic purpose indirectly despite its social orientation?
(A) By improving the lives of employees in the supply chain without addressing specific corporate operational risks.
(B) By reallocating all corporate profits to community development programs and established charitable trusts.
(C) By bypassing Global Reporting Initiative guidelines to reduce overall administrative and reporting overhead costs.
(D) By minimizing negative impacts, reducing business risks, and managing economic risks in people management.

Oct/Nov 2009

31. Arrange the four forms of 'Sustainable HRM' in the order they evolved with the progress of research:
I. Common Good HRM
II. Triple Bottom Line HRM
III. Green HRM
IV. Socially Responsible HRM
(A) IV, III, II, I
(B) III, IV, II, I
(C) IV, II, III, I
(D) II, IV, III, I

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May/June 2023

32. Identify the incorrect pair regarding the three pillars of Corporate Sustainability.
(A) Environmental Pillar - Planet
(B) Social Pillar - Profit
(C) Social Pillar - People
(D) Economic Pillar - Profit

Oct/Nov 2010

33. How can 'Green Compensation' most appropriately drive environmental management within an organization?
(A) By replacing all monetary salaries with carbon credits and non-tangible lifestyle benefits for staff.
(B) By rewarding employees to increase commitment, pushing them to be environmentally responsible.
(C) By penalizing lowest performing employees through the withholding of basic health and employment benefits.
(D) By outsourcing the evaluation of environmental behaviors to external regulatory and governmental agencies.

May/June 2005

34. Given below are two statements:
I. Green Staffing includes interviewing techniques that enable managers to identify candidates with environment-centered

(C) I and III only
(D) I, II, and III

May/June 2010

58. Match the differences between Corporate Social Responsibility (List I) and Corporate Sustainability (List II) based on key factors:
List I: (Corporate Social Responsibility Factors)
P. Target/Focus of CSR
Q. Target/Focus of Corporate Sustainability
R. Motivation/Driving Force of CSR
S. Motivation/Driving Force of Corporate Sustainability
List II: (Descriptions)
1. Protect a company's reputation
2. Creating new opportunities for emerging markets
3. Opinion formation among media, politicians, pressure groups
4. The whole value chain from end-consumers to stakeholders
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-3, R-2, S-1
(C) P-1, Q-2, R-3, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2022

59. Given below are two statements:
I. Corporate Sustainability is a business strategy whereby a business delivers goods and services in a manner that supports short-term financial gains exclusively.
II. The Social Pillar of sustainability focuses on providing security, individual development, and overall health to employees, suppliers, and partners.
Which of the above statement(s) is/are correct?
(A) Statement I is true and Statement II is false.
(B) Statement I is false and Statement II is true.
(C) Both Statement I and II are true.
(D) Both Statement I and II are false.

May/June 2018

60. Match the features of Common Good HRM (List I) to their conceptual implications (List II):
List I: (Common Good HRM Features)
P. Trusting relationships
Q. Democratic workplace representation
R. Psychological contract
S. Outside-in model
List II: (Conceptual Implications)
1. Protects human needs for employment, security, safety, and meaningful work
2. Addresses challenges like climate change, corruption, migration, or youth unemployment
3. Attaining equal and fair employment relationships
4. Achieves locally adapted HR solutions for complex global challenges
(A) P-3, Q-4, R-1, S-2
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2016

61. Given below are five statements:
I. Human Capital Management views employees as a part of capital to maximize ROI.
II. Strategic HRM integrates HRM with the organization's strategy.
III. Sustainable HRM neglects ecological aspects to focus strictly on human and social outcomes.
IV. Traditional HRM focused heavily on employee welfare and operated largely in isolation from business goals.
V. The concept of Sustainable HRM emerged from the societal need for sustainable development.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

May/June 2014

62. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Developing effective monetary incentives for green behaviors is completely straightforward and devoid of challenges.
Reason (R): Accurately and fairly evaluating environmental behaviors and performance is often a complex and challenging task for HR managers.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation

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(C) Both Statement I and II are true.
(D) Both Statement I and II are false.

May/June 2015

40. Match the forms of Sustainable HRM (List I) with their defining characteristics (List II):
List I: (Forms of Sustainable HRM)
P. Socially Responsible HRM
Q. Green HRM
R. Triple Bottom Line HRM
S. Common Good HRM
List II: (Characteristics)
1. Outside-in model redefining business purpose toward societal values
2. Focuses on influencing employees' ecological awareness to reduce carbon footprint
3. Simultaneously focuses on economic, environmental, and social purposes
4. Conserving human capital and minimizing negative impacts to reduce business risks
(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-4, R-1, S-3
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2012

41. Given below are three statements:
I. It builds a strong socially responsible brand image and recognition.
II. It supports organizations in maximizing expenses to acquire the best green talent globally.
III. It decreases a company's total costs through the more effective use of electricity and water.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

May/June 2011

42. Which of the following best describes the ultimate objective of integrating Green HRM practices in the banking industry?
(A) To completely eliminate physical bank branches and replace them with virtual reality operations.
(B) To reduce employee salaries in proportion to the carbon footprint generated by the bank's infrastructure.
(C) To attain equilibrium between the banking role and conserving the environment for future generations.
(D) To transfer the financial burden of environmental taxation directly to the banking customers.

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Oct/Nov 2024

43. Identify the correct pair between the form of Sustainable HRM and its primary organizational perspective.
(A) Socially Responsible HRM - Outside-in perspective
(B) Green HRM - Inside-out perspective
(C) Common Good HRM - Inside-out perspective
(D) Triple Bottom Line HRM - Outside-in perspective exclusively

May/June 2021

44. Match the Green HRM terms (List I) with their conceptual components (List II):
List I: (Green HRM Terms)
P. Green Employee Relations
Q. Green Staffing
R. Soft HRM
S. Green Auditing
List II: (Conceptual Components)
1. Long-term oriented conceptual approaches focusing on conserving Human Capital
2. Aligning employees' goals with green management systems to increase participation
3. Conducting internal energy audits and online auditing of bank books
4. Job analysis oriented towards environmental reporting and identification of EM experiences
(A) P-2, Q-4, R-1, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2005

45. Given below are three statements:
I. Socially Responsible HRM focuses on long-term oriented conceptual approaches aimed at socially responsible and economically appropriate recruitment.
II. Green HRM utilizes an outside-in perspective to integrate ecological awareness into HR policies.

orientations.
II. The compensation and reward systems in an organization have no substantial role in contributing to Environmental Management.

Which of the above statement(s) is/are correct?
(A) Statement I is true and Statement II is false.
(B) Statement I is false and Statement II is true.
(C) Both Statement I and II are true.
(D) Both Statement I and II are false.

Oct/Nov 2013

35. Match the specific ISO/GRI frameworks (List I) with their functions in Green HRM (List II):

List I: (Frameworks)
P. ISO 14000 family
Q. ISO 14001
R. ISO 14004
S. GRI

List II: (Functions)
1. Incorporates several standards for environmental management and reporting
2. Provides key performance indicators (KPIs) for the environmental PMS
3. Provides additional guidelines for implementing and reporting the standard
4. Underlying reporting framework for incorporating Environment Management initiatives alongside ISO standards

(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2006

36. Given below are three statements:
I. It aims to educate employees about values of environmental management and waste reduction.
II. Extensive use of printed handouts is encouraged over online course material to ensure thorough understanding.
III. It facilitates job rotation in green assignments for future talented green managers.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

Oct/Nov 2020

37. What is the most appropriate reason why 'Socially Responsible HRM' is considered an 'inside-out' approach?
(A) It begins with managing internal resources to minimize negative business impacts and reduce economic risks.
(B) It focuses entirely on external marketing strategies to alter the political landscape of the industry.
(C) It outsources all HR functions to community groups to improve global environmental standards.
(D) It prioritizes external stakeholder opinions above internal operational efficiency and regulatory compliance.

May/June 2008

38. Match the stages of HRM evolution (List I) to their primary driving philosophies (List II):

List I: (Evolution Stages)
P. Human Resource Management (Traditional)
Q. Human Capital Management
R. Strategic HRM
S. Sustainable HRM

List II: (Driving Philosophies)
1. Making effective use of employees, reducing risk, and maximizing ROI
2. Managing people as key assets with an emphasis on employee welfare and benefits in isolation
3. Achievement of financial, social, and ecological goals over a long term
4. Aligning HR practices with organizational business strategy to proactively deliver business

(A) P-2, Q-1, R-4, S-3
(B) P-1, Q-2, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2023

39. Given below are two statements:
I. Strategic HRM aims to ensure that HR strategy is a proactive means to effectively deliver the business goals.
II. Sustainable HRM is defined solely as the management of human resources to maximize return on investment.

Which of the above statement(s) is/are correct?
(A) Statement I is true and Statement II is false.
(B) Statement I is false and Statement II is true.

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switching off unnecessary lights.
III. Green performance appraisals should focus on issues like environmental incidents and green information systems.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

May/June 2024

52. Based on the evolutionary emergence of HR functions, arrange the following concepts in chronological order:
I. Sustainable HRM
II. Human Resource Management
III. Strategic Human Resource Management
IV. Human Capital Management
(A) II, IV, III, I
(B) II, III, IV, I
(C) IV, II, III, I
(D) IV, III, II, I

Oct/Nov 2011

53. Match the HR functions (List I) to their corresponding Green HRM practices in banking (List II):
List I: (HR Functions)
P. Green Recruitment
Q. Green Training
R. Green Performance Management
S. Green Compensation
List II: (Banking Practices)
1. Developing eco-friendly managers through methods of conservation
2. Including environmental indicators for each risk area in appraisal forms
3. Offering loan discounts on fuel-efficient cars or e-vehicles
4. Using online video calling and eco-friendly locations for hiring
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-3, R-4, S-1

May/June 2007

54. Given below are two statements:
I. Common Good HRM places individual organizational needs above collective interests and societal challenges.
II. The Common Good model recognizes the reciprocal, individual, and collective elements of business activity to serve the common good.

Which of the above statement(s) is/are correct?
(A) Statement I is true and Statement II is false.
(B) Statement I is false and Statement II is true.
(C) Both Statement I and II are true.
(D) Both Statement I and II are false.

Oct/Nov 2025

55. Identify the correct pair regarding the differences between Corporate Social Responsibility and Corporate Sustainability.
(A) CSR - Is managed by the communications team
(B) CSR - Focuses more on the future
(C) Corporate Sustainability - Is a much broader concept
(D) Corporate Sustainability - Looks backward and reflects on contributions

May/June 2019

56. What is the best explanation for why 'Common Good HRM' relies on an 'outside-in' model?
(A) It assumes business should contribute to resolving societal challenges like climate change and poverty.
(B) It allows organizations to focus purely on local profitability before expanding to global markets.
(C) It delegates all internal HR management responsibilities to third-party non-governmental organizations.
(D) It restricts employee participation in decision-making to maintain strict control over environmental policies.

Oct/Nov 2006

57. Given below are three statements:
I. The Environmental Pillar is defined by processes and systems that reduce the environmental impact of an organization's operations.
II. The Economic Pillar proposes an equitable distribution and efficient allocation of resources to establish long-term profitability.
III. The Social Pillar is strictly concerned with minimizing the company's carbon footprint throughout the value chain.

Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only

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III. Triple Bottom Line HRM redefines performance in terms of "people, profits, and planet" shared-values.

Which of the above statement(s) is/are correct?

(A) I and II only
(B) I and III only
(C) II and III only
(D) I, II, and III

May/June 2013

46. What is the most appropriate description of the primary focus of 'Strategic HRM' when aligning HR practices with business strategy?

(A) Establishing environmental protocols that completely override traditional corporate performance metrics.
(B) Ensuring that HR strategy functions strictly as a means and not an end in itself, effectively delivering the business.
(C) Maintaining the HR department's isolation to focus purely on employee welfare and basic compensation benefits.
(D) Transforming social issues into immediate financial dividends without utilizing employee competencies.

Oct/Nov 2018

47. Given below are two statements:

I. Green recruitment strictly prohibits the use of online platforms and mandates physical interviews to test environmental knowledge.
II. Job descriptions for green recruiting may include environmental reporting roles, health and safety tasks, and harmful elements.

Which of the above statement(s) is/are correct?

(A) Statement I is true and Statement II is false.
(B) Statement I is false and Statement II is true.
(C) Both Statement I and II are true.
(D) Both Statement I and II are false.

May/June 2016

48. Match the pillars of Corporate Sustainability (List I) with their corresponding areas of focus (List II):

List I: (Pillars)
P. Environmental Pillar
Q. Social Pillar
R. Economic Pillar

List II: (Areas of Focus)
1. Equitable distribution and efficient allocation of resources
2. Health, safety, and wellbeing of employees and communities
3. Alternative energy sources and reducing carbon footprint

(A) P-3, Q-2, R-1
(B) P-1, Q-3, R-2
(C) P-2, Q-1, R-3
(D) P-3, Q-1, R-2

Oct/Nov 2008

49. Identify the incorrect pair regarding Green HRM practices in the Banking Industry.

(A) Green Performance Management - Ignoring environmental incidents in appraisals
(B) Green Recruitment - Utilizing online telephonic and video interviews
(C) Green Training - Educating employees about environmental problem solving
(D) Green Compensation - Providing loan discounts on fuel-efficient cars

May/June 2022

50. Match the "Other Initiatives" for Environmental Management (List I) with their specific actions (List II):

List I: (Initiatives)
P. Paperless Banking
Q. Virtual meetings
R. Car pooling
S. Green Energy

List II: (Actions)
1. Recycled solar energy and 5-star rated air conditioners
2. Soft copies of Board Memoranda and online leave applications
3. Providing electrical vehicles/cars to eligible executives
4. Teleconference and Zoom Meetings for promotion interviews

(A) P-2, Q-4, R-3, S-1
(B) P-1, Q-3, R-2, S-4
(C) P-3, Q-1, R-4, S-2
(D) P-4, Q-2, R-1, S-3

Oct/Nov 2014

51. Given below are three statements:

I. It measures ecological performance standards through different departments of the organization.
II. Managers are unable to appraise the performance of an employee based on simple environment-friendly behaviors like

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of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2007

63. Given below are four statements:
I. It emphasizes fair treatment, development, and the well-being of employees.
II. It pursues short-term cost-driven HRM practices favorable only to the employer.
III. It promotes trust between employees and managers in a given situation.
IV. It facilitates employees' work-life balance without compromising performance.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

May/June 2025

64. Read the following scenario and answer the questions that follow.
GreenTech Financials' HR head decides to revamp the hiring process by introducing online job portals for all vacancies and conducting preliminary and final interviews via video conferencing. The job descriptions explicitly mention candidates' responsibilities in managing eco-friendly initiatives. This approach is an example of:
(A) Green Compensation
(B) Green Auditing
(C) Green Recruitment and Selection
(D) Soft HRM

Oct/Nov 2019

65. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): If any of the three pillars of Corporate Sustainability is weak, the system as a whole is unsustainable.
Reason (R): Corporate sustainability prioritises short-term financial gains over sustainable methods.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2009

66. By utilizing online job portals and video conferencing to eliminate paperwork and physical travel, GreenTech Financials is actively engaging in which 'Other Initiative' towards Environmental Management?
(A) Paperless Banking and Virtual meetings
(B) Encouraging Car pooling
(C) Green Energy Implementation
(D) Internal Energy Auditing

Oct/Nov 2017

67. Given below are four statements:
I. Voluntary PEB contributes to decreasing the organizational footprint.
II. PEB strictly isolates employee behaviour from organizational success.
III. Direct results of voluntary PEB include a decrease in energy and raw material usage.
IV. PEB indirectly affects the detection of faults in plant and equipment harming the environment.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

May/June 2017

68. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Green HRM serves as a powerful tool for recruitment and retention in organizations.
Reason (R): Employees at organizations with high engagement levels prefer working for employers committed to societal and environment interests.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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integrating social and environmental concerns into business operations purely to protect the bank's reputation and manage communication effectively. In the context of this debate, Model X accurately represents the concept of:

(A) Corporate Sustainability
(B) Common Good HRM
(C) Corporate Social Responsibility
(D) Triple Bottom Line HRM

May/June 2015

82. Given below are five statements:

I. It aims to create long-term stakeholder value.
II. It focuses exclusively on the economic dimensions of doing business.
III. It prioritizes long-term growth through sustainable methods over short-term financial gains.
IV. It moves the organization to a state where equally distributed attention is paid to economic, social, and environmental concerns.
V. It operates independently of the HRM system.

Which of the above statement(s) is/are correct?

(A) I, II, and III
(B) I, III, and IV
(C) II, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2012

83. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Organizations cannot be interested in profits only when trying to reach Corporate Sustainability.

Reason (R): Under the traditional approach to business, the main objective of a business organization has always been the achievement of long-term ecological goals.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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May/June 2011

84. In implementing its new Sustainable HRM approach, EcoBank aims to build strengths and facilitate performance. Which feature is most characteristic of EcoBank's newly adopted approach?

(A) Focusing exclusively on generating short-term profits to overcome the financial impact of climate events.
(B) Refraining from collaborative HR development to ensure strict top-down compliance with bank policies.
(C) Emphasizing employee well-being and work-life balance without compromising organizational performance.
(D) Utilizing environmental management merely as an opinion formation tool for the media and politicians.

Oct/Nov 2024

85. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Performance Management Systems in banks must remain strictly independent of environmental objectives.

Reason (R): Integrating environmental goals into the Performance Management System is a key method for achieving a bank's corporate sustainability strategy.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2021

86. Given below are four statements regarding 'Triple Bottom Line HRM':

I. It relies on the maximization and balancing of economic, environmental, and social organizational goals.
II. It assumes that its three dimensions are inextricably interwoven.
III. It completely eliminates the possibility of paradoxical sustainability tensions or conflict.
IV. It extends the scope of Sustainable HRM

granting carbon credit equalizers to top performers. This reward system is a direct application of:
(A) Green Training and Development
(B) Compliance Management
(C) The Economic Pillar of Sustainability
(D) Green Compensation and Reward Management

May/June 2005

76. Given below are four statements:
I. CSR is more about compliance than business.
II. Corporate Sustainability focuses more on the present.
III. CSR is managed by the communications team.
IV. Corporate Sustainability is managed by the Operations and Marketing vertical.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, III, and IV
(C) II, III, and IV
(D) I, II, and IV

Oct/Nov 2013

77. By ensuring its practices minimize the negative impact on the community and natural environment, EcoBank is directly fulfilling which pillar of Corporate Sustainability?
(A) The Economic Pillar
(B) The Productivity Pillar
(C) The Communication Pillar
(D) The Environmental Pillar

May/June 2006

78. Given below are five statements:
I. Green HRM focuses on creating a workforce that understands and practices green initiatives.
II. Green Staffing uses environmental-related experiences to identify candidates.
III. The ISO 14000 family provides frameworks for incorporating EM initiatives in HRM.
IV. Top executive support is deemed unnecessary if employees exhibit voluntary PEB.
V. Rewards are used systematically to regulate employees toward avoidance of negative EM behaviours.
Which of the above statement(s) is/are correct?
(A) I, II, III, and V
(B) I, II, IV, and V
(C) II, III, IV, and V
(D) I, III, IV, and V

Oct/Nov 2020

79. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Employee participation in Green initiatives aligns employees' goals, capabilities, and perceptions with green management practices.
Reason (R): Involving employees in Environmental Management activities reduces efficient resource usage and increases pollution from workplaces.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

80. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The implementation of Triple Bottom Line HRM is immune to organizational level conflict and interdepartmental competition.
Reason (R): Triple Bottom Line HRM focuses simultaneously on economic, environmental, and social purposes of HRM.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2023

81. Read the following scenario and answer the questions that follow.
Urban Co-operative Bank debates two sustainability models. Model X focuses on

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15. (D) It primarily focuses on an economic purpose to drive internal operational compliance.
Common good human resource management differs from previous models by reversing the business perspective to an outside-in approach. It radically reviews the traditional profit-oriented viewpoint and aims to contribute to ecological and social progress. Unlike earlier methods, it does not primarily focus on internal economic purposes or operational compliance. Instead, it prioritizes societal well-being and the resolution of sustainability challenges.

16. (A) The practice of aligning human resource practices with an organization's business strategy to achieve its set goals.
Strategic human resource management is the practice of integrating HR activities with the overall business strategy. This approach ensures that people management practices directly support the organization's goals and objectives. By aligning talent management with strategic priorities, companies can enhance their competitive advantage and operational efficiency. It requires HR departments to move away from isolated administrative tasks toward proactive development.

17. (A) Resumes and onboarding documentation must be processed via hard copies to ensure legal validity.
Green recruitment and selection focus on minimizing environmental impact during the hiring process. This includes using paper-free methods, such as online job portals and video conferencing, to eliminate physical travel and documentation. Requiring hard copies for legal validity is incorrect, as digital onboarding and electronic records are sustainable alternatives. This approach helps reduce the organization's carbon footprint while attracting eco-conscious candidates.

18. (A) ISO 14001
ISO 14001 is a globally recognized standard that provides the framework for an effective environmental management system. It offers key performance indicators used to measure and evaluate an organization's ecological impact. By following this standard, banks can monitor their resource usage, waste management, and overall environmental performance. It supports continuous improvement by providing clear metrics for assessing the success of initiatives.

19. (D) PEB decreases the footprint, reduces environmental degradation, and improves environmental performance.
Pro-environmental behavior refers to voluntary employee actions that benefit the natural environment. These initiatives decrease the organizational footprint and reduce environmental degradation by optimizing resource use. Such behaviors improve overall environmental performance and can lead to significant cost savings through waste reduction. Unlike mandatory compliance, these actions are driven by individual commitment, fostering a culture of sustainability that enhances corporate reputation.

20. (A) To measure ecological standards and gain data on performance to support continuous environmental improvements.
Green performance management is integrated into corporate strategy to monitor and improve ecological performance. It involves measuring specific environmental standards across different departments to gain data-driven insights. This information supports continuous improvement in sustainability practices and ensures that employees are held accountable for their ecological impact. By linking performance appraisals to green goals, organizations encourage the consistent adoption of eco-friendly behaviors.

21. (C) Dictating the mandatory financial penalties for non-compliance with global supply chain labor wages.
The ISO 14000 family consists of various standards designed to help organizations manage their environmental responsibilities. These standards provide frameworks for performance indicators, reporting guidelines, and greenhouse gas accounting. However, they do not dictate mandatory financial penalties for labor wage non-compliance. Their primary focus is on providing tools and systematic approaches for environmental management, verification, and communication to enhance ecological performance.

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beyond a purely social or societal dimension.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) I, III, and IV
(D) II, III, and IV

Oct/Nov 2005

87. Based on the scenario of GreenTech Financials, a system is established where branch managers evaluate employees based on their efforts in reducing paper usage and conserving electricity. This practice falls under:
(A) Green Employee Relations
(B) Green Performance Management
(C) Strategic Resource Allocation
(D) Common Good Framework

May/June 2013

88. Given below are five statements:
I. Enhances business opportunities with government and non-profit organizations.
II. Creates a highly competitive environment leading to increased employee turnover.
III. Increases workforce productivity, efficiency, and employee retention.
IV. Reduces the organization's carbon footprint through less printing and more video conferencing.
V. Improves corporate image and eco-performance.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2018

89. EcoBank, a leading private sector bank, recently shifted its corporate mandate. Historically, its HR department focused exclusively on payroll, employee welfare, and enforcing basic compliance. The CEO realized that HR must be proactive in delivering business objectives and integrating employees' skills with market strategies. The initial shift of EcoBank's HR from traditional administrative roles to proactively delivering business objectives represents a transition to which concept?
(A) Human Capital Management
(B) Strategic HRM
(C) Common Good HRM
(D) Socially Responsible HRM

May/June 2016

90. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): 'Common Good HRM' reverses the business perspective from inside-out to outside-in.
Reason (R): It focuses more on environmental and societal impact, assuming the primary responsibility of business is to resolve societal sustainability challenges.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2008

91. Apex Bank launches a 'Go Green' movement. It establishes a suggestion scheme allowing any employee, from top management to the lowest level, to propose eco-friendly practices. The suggestion scheme is a strategic component of which Green HRM area?
(A) Green Recruitment
(B) Green Employee Relations
(C) Green Compensation
(D) Green Auditing

May/June 2022

92. Read the following scenario and answer the questions that follow.
FinCorp implemented the Triple Bottom Line HRM model. Over the next two years, the HR department invested heavily in environmental training. However, a temporary decline in maximizing short-term economic performance was reported due to these expenditures, causing tension among middle managers. This scenario illustrates a key vulnerability of the Triple Bottom Line HRM model. What is it?
(A) The inability to conduct virtual meetings due to technological gaps in the banking infrastructure.
(B) The impossibility of measuring environmental performance within

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Oct/Nov 2021

69. Following extreme climate events, the board directed EcoBank's HR to adapt strategies that achieve financial, social, and ecological goals simultaneously over a long term. This directive aligns precisely with the definition of:
(A) Sustainable HRM
(B) Corporate Social Responsibility
(C) Traditional HRM
(D) Soft HRM

May/June 2020

70. Given below are five statements:
I. Reducing the use of printed materials and bottled water in the workplace.
II. Prohibiting telework and work-from-home options to monitor energy use at the office.
III. Providing interest-free loans to purchase hybrid cars.
IV. Conducting business meetings via video conferencing to reduce travel.
V. Replacing energy-intensive bulbs with LED bulbs.
Which of the above statement(s) is/are correct?
(A) I, II, III, and IV
(B) I, III, IV, and V
(C) II, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2015

71. Based on the scenario of Urban Co-operative Bank, Model Y aims for long-term stakeholder value across the entire value chain, focusing on future viability and treating sustainability as integral to business operations. Model Y represents the concept of:
(A) Corporate Sustainability
(B) Traditional People Management
(C) Corporate Social Responsibility
(D) Human Capital Management

May/June 2012

72. Given below are four statements:
I. Green compensation may include loan discounts on fuel-efficient cars.
II. Employee participation in green initiatives aligns employee goals with green management systems.
III. The scope of employee relations is narrowed to prevent diverse ideas from affecting formal environmental tasks.
IV. Positive employee relations are an intangible and enduring asset for any organization.
Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) I, II, and IV
(C) I, III, and IV
(D) II, III, and IV

Oct/Nov 2009

73. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Green recruiting provides employers with an opportunity to stand ahead of the crowd and attract environmentally responsible candidates.
Reason (R): Candidates with a green-blend of mind are familiar with basics like recycling and conservation, contributing effectively to the ecological practices of the Banks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2023

74. The following question consists of two statements — Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Strategic HRM requires the HR department to make an effective departure from its traditional belief of functioning in isolation.
Reason (R): Strategic HRM aims to align human resource practices with the organization's business strategy to achieve set goals.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

75. To recognize outstanding efforts, GreenTech Financials institutes the 'Eco-Warrior Reward',

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(A) It will eliminate the need to adhere to Global Reporting Initiative guidelines and reporting.
(B) It will maximize the cost of organizational operations by requiring continuous external help.
(C) It will completely detach the HR department from the core strategic business goals of the bank.
(D) It will build a socially responsible brand image while increasing retention and productivity.

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traditional financial audit systems.
(C) The susceptibility to paradoxical sustainability tensions and conflict within diverse business areas.
(D) The complete failure to attract educated and affluent employees to the bank's core departments.

Oct/Nov 2014

93. The bank eventually decides to adopt 'Common Good HRM' to address youth unemployment in their local community. This decision demonstrates which conceptual framework?
(A) An inside-out model focused solely on minimizing internal business risks and operational hazards.
(B) A cost-driven model designed to optimize short-term financial gains through resource exploitation.
(C) A theoretical model that delegates all HR responsibilities to external regulatory and legal bodies.
(D) An outside-in model that recognizes business activity as a means to resolve societal challenges.

May/June 2024

94. Replacing energy-intensive lights with LED bulbs in the Apex Bank scenario represents which specific category of environmental initiative?
(A) Green Employee Relations and Suggestion Schemes
(B) Green Performance Management and Appraisal Systems
(C) Other Initiatives towards Environmental Management
(D) Green Staffing and Environment-Related Hiring

Oct/Nov 2011

95. The training programs invested in by FinCorp to educate employees on environmental problem solving are a core component of:
(A) Green Training and Development
(B) Green Staffing
(C) Green Compensation
(D) Corporate Social Responsibility

May/June 2007

96. According to the features of 'Common Good HRM' in the bank's adopted strategy, this model assumes that the psychological contract will be upheld in terms of:
(A) Eliminating all performance-based compensation and replacing it with flat-rate subsistence wages.
(B) Protecting needs for employment, including security, safety, and meaningful workplace contributions.
(C) Reducing corporate taxation through philanthropic loopholes and external charitable contributions.
(D) Prioritizing individual organizational desires over global ecological progress and social fairness.

Oct/Nov 2025

97. To further motivate the staff in the 'Go Green' movement, Apex Bank decides to offer discounted free transportation passes and sets up an active car-pooling facility for executives. This provision is an example of:
(A) Executive support and Green Compensation
(B) Green Recruitment and Personnel Selection
(C) Green Training and Employee Development
(D) Traditional Employee Welfare and Benefits

May/June 2019

98. If FinCorp were to shift its focus primarily to using its sustainable practices as an implementation tool to describe diversity management and safety in reporting frameworks to minimize negative business risks, it would be reverting to which form of HRM?
(A) Common Good HRM
(B) Socially Responsible HRM
(C) Green HRM
(D) Strategic HRM

Oct/Nov 2006

99. Despite the challenges described in the FinCorp scenario, the Triple Bottom Line HRM model redefines performance in multidimensional outcomes. These are best described as:
(A) "Profits, productivity, and presence"
(B) "Policies, procedures, and practices"
(C) "Planet, philanthropy, and publicity"
(D) "People, profits, and planet"

May/June 2010

100. What is a primary organizational advantage Apex Bank will achieve by successfully implementing these 'Green HRM' practices?

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society. It goes beyond simple profit-making to address the complex challenges of the modern global environment.

8. (B) Corporate Social Responsibility reflects on what a company has done in the past to contribute to society.
Corporate Social Responsibility typically focuses on past actions and contributions to society. It often involves philanthropic activities and communication efforts to protect a company's reputation. In contrast, corporate sustainability is a forward-looking strategy integrated into the entire business value chain. It seeks to create long-term value by addressing future environmental and social challenges while ensuring the organization remains economically stable.

9. (B) It mandates that businesses prioritize the extraction of natural resources to ensure job creation in developing markets.
The social pillar of sustainability emphasizes the fair treatment, health, and well-being of employees and communities. It ensures safe working conditions and fair pay throughout the supply chain. Prioritizing the extraction of natural resources at the expense of social welfare is contrary to this principle. Instead, it promotes practices that support human development, workplace diversity, and meaningful external stakeholder engagement.

10. (C) 86 per cent
Research indicates that high levels of employee engagement are strongly linked to an organization's commitment to social and environmental interests. Approximately eighty-six per cent of highly engaged employees believe their employers are responsible and committed to these causes. This alignment between personal values and corporate responsibility fosters loyalty and motivation. Organizations prioritizing sustainability often see improved retention and productivity.

11. (D) The immediate generation of new emerging markets for corporate expansion.
Pro-environmental behavior involves voluntary actions by employees that contribute to ecological sustainability. These behaviors lead to reduced energy consumption, less waste, and the early detection of equipment faults. While these actions improve environmental performance and reduce costs, they do not directly or immediately generate new emerging markets for expansion. Such market growth usually requires broader strategic business decisions and significant investments.

12. (C) Hiring individuals possessing environmental management qualifications, skills, mindsets, attitudes, and behaviors.
Green staffing is the process of acquiring talent that aligns with an organization's environmental goals. This involves identifying candidates who possess specific environmental qualifications, skills, and a sustainable mindset. Job descriptions and interview techniques are tailored to evaluate an applicant's attitude toward conservation and ecological responsibility. By hiring eco-conscious individuals, companies build a workforce capable of effectively implementing green management practices.

13. (A) It involves an openness to non-business objectives of societal fairness, workplace democracy, and human rights.
Common good human resource management is defined by an openness to non-business objectives like societal fairness and human rights. This model represents an outside-in approach where resolving global challenges is seen as a primary business responsibility. It recognizes that business activity should serve the collective interests of society. This approach moves beyond narrow organizational needs to prioritize human dignity.

14. (C) Shifting from ROI maximization to integrating HR with corporate business objectives and strategic goals.
The shift toward strategic human resource management marks a departure from traditional administrative roles. It involves aligning HR practices with the organization's business strategy to proactively achieve set goals. This transition ensures that the HR function acts as a partner in delivering business results rather than operating in isolation. It focuses on using human capital effectively to drive performance and success.

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ANSWERS

1. (D) Jackson et al.
   Jackson et al. integrated the triple bottom line into human resource management in 2011. This framework emphasizes balancing social, environmental, and economic goals. It suggests that organizations should move beyond traditional financial metrics to include social equity and environmental health. This holistic approach ensures long-term organizational viability by considering the impact on people and the planet.

2. (C) It stresses the impact of business on the environment by implementing systems that reduce the footprint.
   The environmental pillar focuses on the ecological impact of a business. Organizations implement systems to reduce their carbon footprint, manage waste efficiently, and conserve natural resources. This involves using renewable energy and minimizing pollution. By prioritizing environmental health, companies ensure that their operations do not deplete resources or harm the ecosystem, supporting long-term ecological balance and corporate sustainability.

3. (C) An HRM function characterized by the maximization and balancing of economic, environmental, and social organizational goals.
   Triple bottom line human resource management defines performance through three distinct dimensions. It involves balancing economic profitability with environmental stewardship and social responsibility. This approach creates shared value for stakeholders by integrating ecological and societal considerations into core human resource strategies. It ensures that organizational success is measured not just by financial gains, but also by positive impacts on communities.

4. (C) Employee compensation programs cannot be modified to offer bonuses based on environmental competencies.
   Compensation and reward systems are vital for motivating employees to engage in environmental initiatives. Organizations can modify these programs to include bonuses or increments for obtaining green skills and meeting sustainability targets. By aligning financial incentives with ecological goals, businesses encourage a culture of environmental responsibility. Rewards may include non-monetary benefits like carbon offsets or lifestyle perks that support conservation efforts.

5. (B) By using socio-economic resources efficiently to provide long-term benefits without creating social issues.
   Economic sustainability involves managing socio-economic resources to ensure long-term profitability and stability. It focuses on equitable distribution and efficient resource allocation to provide lasting benefits without causing social or environmental harm. This pillar ensures that a company remains financially viable while contributing positively to the broader economy. It requires a balance between immediate financial performance and the preservation of capital.

6. (B) Suppressing telework and remote work policies to ensure direct physical oversight of employee environmental practices.
   Suppressing telework and remote work policies is contrary to environmental management goals. Reducing commuting through remote work effectively lowers the organization's carbon footprint and energy consumption. Other initiatives, such as paperless banking, car-pooling, and using renewable energy, support sustainability. Effective green strategies should encourage flexible work arrangements to minimize travel-related emissions and improve the bank's total ecological footprint.

7. (B) A long-term strategy creating stakeholder value through ethical, social, environmental, cultural, and economic dimensions.
   Corporate sustainability is a comprehensive long-term strategy aimed at creating value for all stakeholders. It integrates ethical, social, environmental, cultural, and economic dimensions into the core business model. This approach ensures that the organization remains viable in the future while contributing to a better

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22. (B) Human Capital
Soft human resource management was an earlier form of sustainable practice that primarily focused on the conservation of human capital. This approach emphasized employee well-being, development, and the maintenance of a positive psychological contract. By treating employees as valuable assets rather than mere resources, organizations sought to ensure long-term stability and commitment. It laid the groundwork for broader future sustainability models.

23. (D) It assumes that resolving societal sustainability challenges is the primary responsibility of a business.
The common good model represents a paradigm shift by asserting that businesses have a primary responsibility to resolve societal sustainability challenges. This outside-in approach moves beyond internal profit maximization to address global issues like climate change and poverty. It recognizes that business activity is a means to serve the collective good. This model integrates social fairness and ecological progress into success.

24. (A) Corporate Sustainability focuses more on the present, whereas Corporate Social Responsibility focuses more on the past.
Corporate sustainability is a forward-looking strategy that focuses on the future viability of the organization and the environment. In contrast, corporate social responsibility often looks backward at past contributions to society and philanthropic efforts. CSR is frequently managed by communications teams to protect reputation, while sustainability is integrated into operations. Therefore, stating that sustainability focuses more on the present is factually incorrect.

25. (B) It seeks positive human outcomes by implementing sustainable work systems that facilitate work-life balance.
Sustainable human resource management aims to achieve positive human and social outcomes by implementing work systems that support employee well-being. This includes facilitating work-life balance, promoting open communication, and ensuring fair treatment without compromising organizational performance. By creating a supportive environment, companies foster long-term commitment and health. This holistic approach recognizes that sustainable development depends on the satisfaction of internal stakeholders.

26. (D) Integrating environmental management into HR policies to promote sustainable resource use across the organization.
Green human resource management is defined by the integration of environmental management principles into HR policies and practices. It aims to promote sustainable resource use and increase employee awareness of ecological issues. By aligning people management with environmental goals, organizations can effectively reduce their carbon footprint and improve ecological performance. This involves everything from green recruitment and training to performance appraisals.

27. (A) Committing to short-term cost-driven practices that maximize output regardless of the impact on communities.
Sustainable human resource management is characterized by a commitment to long-term goals and the well-being of all stakeholders. It promotes proactive steps to develop beneficial relationships, supports ecological development, and facilitates employee participation. In contrast, short-term cost-driven practices that prioritize output over community impact are antithetical to sustainability. Such practices often lead to resource depletion and employee burnout, undermining viability.

28. (A) Introducing online auditing of bank books and conducting internal energy audits.
Green auditing in the banking sector primarily involves systematic evaluations of resource usage and operational efficiency. This includes conducting internal energy audits to identify areas for conservation and implementing online auditing of bank books to reduce paper consumption. By analyzing their environmental impact through these audits, banks can develop targeted strategies to improve sustainability. This practice ensures accountability for the ecological footprint.

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and development. This HR function focuses on building a workforce that understands and can effectively implement sustainability practices. By providing employees with the necessary skills, the organization ensures its green initiatives are successful. This investment in human capital supports overall environmental performance.

96. (B) Protecting needs for employment, including security, safety, and meaningful workplace contributions.
Under the common good HRM model, the psychological contract is upheld by protecting human needs for employment, security, safety, and meaningful work. This approach ensures that employees are treated fairly and with dignity, which is essential for a sustainable workplace. By prioritizing these social outcomes, the organization builds trust and commitment. This commitment is a fundamental part of contributing to society.

97. (A) Executive support and Green Compensation
Providing discounted transportation passes and car-pooling facilities is an example of green compensation and executive support. These benefits incentivize employees to adopt more sustainable travel habits, directly reducing the organization's indirect carbon footprint. Such rewards align individual behaviors with the bank's environmental goals. By offering these perks, leadership demonstrates commitment to green initiatives, encouraging a culture of sustainability throughout the organization.

98. (B) Socially Responsible HRM
If FinCorp shifts its focus to using sustainability practices primarily for reporting diversity and safety to minimize business risks, it would be reverting to socially responsible HRM. This inside-out approach focuses on conserving human capital and reducing economic risks through responsible people management. While still beneficial, it has a narrower scope than the triple bottom line model, prioritizing operational efficiency.

99. (D) "People, profits, and planet"
The triple bottom line HRM model redefines organizational performance through the "people, profits, and planet" framework. This means that success is measured not only by financial profitability but also by social equity and environmental stewardship. These three dimensions are considered interwoven and equally important for long-term sustainability. By pursuing shared values across all three areas, organizations create positive impacts.

100. (D) It will build a socially responsible brand image while increasing retention and productivity.
Successfully implementing green HRM practices allows an organization to build a socially responsible brand image while increasing employee retention and productivity. Modern workers and customers are increasingly attracted to companies that demonstrate a genuine commitment to environmental and social causes. This alignment of values leads to a more motivated workforce and enhanced stakeholder trust. These advantages collectively contribute to long-term success.

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to minimize paper waste. Using digital resources aligns with the core goal of conservation.

37. (A) It begins with managing internal resources to minimize negative business impacts and reduce economic risks.
Socially responsible human resource management is considered an inside-out approach because it begins with the organization's internal resources and operations. The focus is on minimizing negative business impacts and reducing economic risks through responsible people management. By ensuring fair treatment and employee well-being internally, the company naturally improves its external social standing. This method prioritizes operational efficiency foundational for success.

38. (A) P-2, Q-1, R-4, S-3
Traditional human resource management focused on managing people as assets with an emphasis on welfare in isolation. Human capital management evolved to treat employees as capital to maximize return on investment and reduce risk. Strategic HRM aligned these practices with business strategy to deliver organizational goals. Finally, sustainable HRM emerged to achieve a balance of financial, social, and ecological goals.

39. (A) Statement I is true and Statement II is false.
Strategic human resource management is indeed a proactive means to deliver business goals by aligning HR strategy with organizational objectives. Sustainable HRM, however, is not defined solely by maximizing return on investment. It encompasses a much broader scope, aiming for the long-term achievement of financial, social, and ecological goals. The focus is on balancing the needs of people and planet.

40. (A) P-4, Q-2, R-3, S-1
Socially responsible HRM focuses on conserving human capital and minimizing business risks. Green HRM aims to influence employees' ecological awareness to reduce the organization's carbon footprint. Triple bottom line HRM simultaneously addresses economic, environmental, and social purposes. Finally, common good HRM is an outside-in model that redefines the business purpose toward addressing societal values and challenges. Each form represents evolution.

41. (B) I and III only
Green HRM provides significant benefits by building a strong socially responsible brand image and decreasing costs through efficient resource use. This makes statements one and three correct. However, statement two is incorrect because the goal of green HRM is to reduce overall costs and improve efficiency, not to maximize expenses. Effective green practices lead to long-term financial savings and retention.

42. (C) To attain equilibrium between the banking role and conserving the environment for future generations.
The ultimate objective of green HRM in the banking industry is to achieve a sustainable balance between commercial banking roles and environmental conservation. This ensures that the bank's operations do not harm the planet for future generations while remaining economically viable. By integrating green practices, banks contribute to global sustainability goals and improve their corporate image, supporting long-term stability.

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43. (B) Green HRM - Inside-out perspective
Green human resource management utilizes an inside-out perspective by focusing on internal policies to influence employees' ecological awareness and behavior. This approach seeks to reduce the company's carbon footprint through internal changes. In contrast, common good HRM is the primary outside-in model, prioritizing societal challenges. Triple bottom line HRM balances multiple perspectives, but green HRM specifically targets internal operational changes first.

44. (A) P-2, Q-4, R-1, S-3
Green employee relations involve aligning employee goals with green management systems to increase participation. Green staffing focuses on job analysis oriented toward environmental reporting and identifying candidates with ecological experience. Soft HRM represents a long-term approach centered on the conservation of human capital. Green auditing involves conducting internal energy audits and utilizing online systems for auditing bank books to improve efficiency.

may lack the resources and strategic alignment needed to make impact.

79. (C) Assertion (A) is true, but Reason (R) is false.
The assertion that employee participation aligns personal goals with green management is true, as it fosters engagement and commitment. However, the reason is false because involving employees in environmental management actually increases resource efficiency and reduces pollution. When workers are actively engaged in sustainability, they identify innovative ways to conserve resources. This collective action is a powerful driver for performance.

80. (D) Assertion (A) is false, but Reason (R) is true.
Implementation of Triple Bottom Line HRM is not immune to conflict; in fact, it is susceptible to paradoxical tensions and competition, making the assertion false. The reason is true because this model simultaneously focuses on economic, environmental, and social purposes, which can lead to conflicting priorities. Despite these difficulties, the model provides a comprehensive framework for balancing multiple organizational goals.

81. (C) Corporate Social Responsibility
Model X represents corporate social responsibility because it focuses on social and environmental concerns primarily to protect the bank's reputation and manage communication. This approach is often led by communications teams and is focused on public perception rather than being integrated into the core operations. While CSR contributes to society, it differs from corporate sustainability, which is a broader strategy.

82. (B) I, III, and IV
Corporate sustainability aims for long-term stakeholder value, prioritizes sustainable methods over short-term gains, and balances economic, social, and environmental concerns. These make statements one, three, and four correct. Statement two is incorrect because sustainability does not focus exclusively on economic dimensions. Statement five is also incorrect because corporate sustainability does not operate independently; it is deeply integrated with the HRM system.

83. (C) Assertion (A) is true, but Reason (R) is false.
The assertion that organizations cannot focus only on profits to achieve sustainability is true, as it requires balancing multiple goals. The reason is false because the traditional approach to business has historically prioritized short-term financial gains rather than long-term ecological goals. Sustainable business practices represent a shift away from this narrow focus toward a more holistic view of success.

84. (C) Emphasizing employee well-being and work-life balance without compromising organizational performance.
A characteristic feature of sustainable human resource management is the emphasis on employee well-being and work-life balance without compromising organizational performance. This approach recognizes that long-term success depends on a healthy and motivated workforce. By supporting employees' needs, the bank fosters loyalty and productivity. This holistic view integrates social outcomes with business goals, ensuring human capital is developed.

85. (D) Assertion (A) is false, but Reason (R) is true.
Performance management systems in banks should not remain independent of environmental objectives; they should be integrated, making the assertion false. The reason is true because aligning environmental goals with the appraisal system is a key method for achieving a bank's corporate sustainability strategy. When employees are evaluated on their contribution to green targets, they are more likely to adopt behaviors.

86. (B) I, II, and IV
Triple bottom line HRM balances economic, social, and environmental goals and assumes these dimensions are interwoven. It also extends the scope of sustainable HRM. These make statements one, two, and four correct. Statement three is incorrect because this model does not eliminate the possibility of paradoxical tensions; rather, it highlights them as different goals must be balanced effectively.

87. (B) Green Performance Management
Evaluating employees based on their efforts to reduce paper usage and conserve electricity is a direct application of green performance

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managers through conservation methods and environmental education. Green performance management includes environmental indicators for various risk areas in employee appraisal forms. Green compensation offers incentives such as loan discounts on fuel-efficient or electric vehicles. These specific practices allow banks to integrate environmental management.

54. (B) Statement I is false and Statement II is true.
Common good human resource management does not place individual organizational needs above collective interests; instead, it prioritizes societal challenges, making the first statement false. The second statement is true because the model recognizes the reciprocal relationship between individual and collective elements of business activity. It seeks to serve the common good by addressing global issues like climate change.

55. (A) CSR - Is managed by the communications team
Corporate social responsibility is often managed by the communications team as it focuses on protecting the company's reputation and reflecting on past social contributions. Corporate sustainability is a broader concept that is integrated into the entire business value chain, typically managed by operations and marketing. While CSR looks backward at philanthropic actions, sustainability is forward-looking, seeking future viability.

56. (A) It assumes business should contribute to resolving societal challenges like climate change and poverty.
The common good HRM model is classified as outside-in because it assumes that the primary purpose of business is to help solve global societal problems. This includes addressing challenges such as climate change, poverty, and unemployment. By starting with these external societal needs, organizations align their internal practices to contribute to the common good, reversing the traditional business perspective.

57. (A) I and II only
The environmental pillar focuses on reducing impact, and the economic pillar proposes efficient resource allocation for long-term profit. This makes statements one and two correct. However, statement three is incorrect because the social pillar is concerned with human well-being, health, and fair treatment, not just the carbon footprint. While reducing emissions has social benefits, the primary focus is the people.

58. (A) P-3, Q-4, R-1, S-2
The target of CSR is opinion formation among media and politicians, while corporate sustainability focuses on the entire value chain. The motivation for CSR is to protect the company's reputation, whereas corporate sustainability is driven by creating new opportunities in emerging markets. This distinction highlights that CSR is often a communication-led effort related to past actions, while sustainability is forward-looking.

59. (B) Statement I is false and Statement II is true.
Corporate sustainability is a long-term strategy, not one focused exclusively on short-term financial gains, making the first statement false. The second statement is true as the social pillar specifically focuses on the health, individual development, and security of employees, suppliers, and partners. This pillar ensures that the organization contributes positively to the lives of the people it touches.

60. (A) P-3, Q-4, R-1, S-2
Trusting relationships in common good HRM focus on attaining equal and fair employment relationships. Democratic workplace representation helps achieve locally adapted solutions for complex global challenges. The psychological contract protects human needs for security and meaningful work. Finally, the outside-in model addresses major societal challenges such as climate change and corruption. These features ensure the organization operates beneficially.

61. (B) I, II, IV, and V
Statements one, two, four, and five correctly describe human capital management, strategic HRM, traditional HRM, and the origins of sustainable HRM. Statement three is incorrect because sustainable HRM does not neglect ecological aspects; it integrates environmental goals with social and human outcomes. True sustainability requires a balance of all three pillars. The evolution of these concepts shows a shift toward integrated management.

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45. (B) I and III only
Socially responsible HRM focuses on long-term approaches to recruitment, and triple bottom line HRM redefines performance through the "people, profits, and planet" framework. These statements are correct. However, statement two is incorrect because Green HRM primarily utilizes an inside-out perspective to influence internal employee behavior and reduce the organization's carbon footprint. It focuses on internal processes first to achieve goals.

46. (B) Ensuring that HR strategy functions strictly as a means and not an end in itself, effectively delivering the business.
Strategic human resource management focuses on ensuring that the HR function serves as a proactive means to achieve business objectives. It aligns HR practices with the organization's strategy to deliver tangible results and support long-term goals. This approach moves HR out of isolation, integrating it into the core business planning process. By focusing on supporting the business, SHRM enhances competitive advantage.

47. (B) Statement I is false and Statement II is true.
Statement one is false because green recruitment encourages online platforms and video conferencing to eliminate the need for physical travel and paper waste. Statement two is true, as job descriptions for green roles often include tasks related to environmental reporting, health and safety, and managing harmful elements. These practices ensure the hiring process is sustainable and hires are well-equipped.

48. (A) P-3, Q-2, R-1
The environmental pillar focuses on alternative energy sources and reducing the carbon footprint to protect the planet. The social pillar addresses the health, safety, and well-being of employees and the wider community. The economic pillar is concerned with the equitable distribution and efficient allocation of resources to ensure long-term profitability. Together, these form a comprehensive corporate sustainability strategy.

49. (A) Green Performance Management - Ignoring environmental incidents in appraisals
Green performance management involves the systematic measurement of environmental standards and incidents to drive improvement. Ignoring environmental incidents in appraisals is the opposite of this practice. Instead, a green performance system should include environmental indicators and evaluate employees based on their contribution to ecological goals. This ensures accountability and encourages the workforce to consistently adopt environmentally friendly behaviors throughout the organization.

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50. (A) P-2, Q-4, R-3, S-1
Paperless banking involves using soft copies for memoranda and online applications to reduce waste. Virtual meetings utilize teleconferencing and digital platforms for interviews. Carpooling initiatives provide shared transportation or electrical vehicles to executives. Green energy initiatives focus on utilizing recycled solar energy and efficient appliances. These diverse actions collectively help banks manage their environmental impact and support broader corporate sustainability goals.

51. (B) I and III only
Green performance management measures ecological standards across departments and focuses on issues like environmental incidents and information systems. These make statements one and three correct. Statement two is incorrect because managers can and should appraise employees based on simple environmentally friendly behaviors, such as switching off lights. Including these behaviors in performance reviews reinforces sustainability and encourages a culture of responsibility.

52. (A) II, IV, III, I
The evolution of human resources began with traditional HRM, which focused on employee welfare in isolation. It moved to human capital management, viewing employees as assets to maximize return on investment. This was followed by strategic HRM, aligning practices with business strategy to deliver organizational goals. Finally, sustainable HRM emerged, integrating long-term social, environmental, and financial goals into management.

53. (A) P-4, Q-1, R-2, S-3
Green recruitment involves using online video calling and eco-friendly locations for hiring. Green training develops eco-friendly

Statement two is incorrect because prohibiting telework would likely increase the carbon footprint due to commuting and office energy use. Modern green strategies often encourage remote work to reduce environmental impact.

71. (A) Corporate Sustainability
Model Y, which focuses on long-term stakeholder value and future viability across the entire value chain, represents corporate sustainability. This strategy treats sustainability as an integral part of operations rather than just a communication tool. It seeks to balance economic, social, and environmental concerns to ensure the bank remains resilient. Unlike CSR, corporate sustainability is a comprehensive model aimed at enduring value.

72. (B) I, II, and IV
Green compensation can include car loan discounts, and employee participation aligns goals with management systems. Positive relations are indeed an enduring asset. These points make statements one, two, and four correct. Statement three is incorrect because the scope of employee relations should not be narrowed; rather, it should be broadened to encourage diverse ideas for environmental improvement, fostering innovation.

73. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Green recruiting allows employers to attract environmentally responsible candidates who already understand basics like recycling and conservation. This makes the assertion true. The reason is also true because these candidates can immediately contribute to the bank's ecological practices without extensive basic training. By hiring individuals with a "green-blend of mind," organizations build a workforce inherently aligned with their sustainability goals.

74. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Strategic HRM requires the HR department to move away from isolation to align its practices with the business strategy. This makes the assertion true. The reason is also true because the primary goal of SHRM is this alignment to achieve organizational objectives. When HR is integrated into the strategic planning process, it can more effectively manage human capital to deliver business results.

75. (D) Green Compensation and Reward Management
The 'Eco-Warrior Reward', which provides carbon credit equalizers to top performers, is a clear application of green compensation and reward management. This system uses tangible incentives to motivate employees to engage in environmental initiatives. By recognizing and rewarding outstanding ecological efforts, the company reinforces the importance of sustainability. This approach ensures that employees are personally invested in achieving green goals.

76. (B) I, III, and IV
CSR is often about compliance and managed by communications, while sustainability is managed by operations and marketing. These make statements one, three, and four correct. Statement two is incorrect because corporate sustainability focuses on the future and long-term viability, whereas CSR tends to focus on the past and present reputation. Understanding these differences is crucial for moving toward strategy.

77. (D) The Environmental Pillar
By ensuring that its practices minimize the negative impact on the natural environment and community, EcoBank is directly fulfilling the environmental pillar of sustainability. This pillar focuses on reducing the ecological footprint through waste management, energy conservation, and the use of renewable resources. Protecting the planet is a fundamental requirement for long-term viability. This commitment helps the bank mitigate risks.

78. (A) I, II, III, and V
Green HRM creates an eco-aware workforce, uses environmental experience in staffing, and uses ISO frameworks for management. Rewards also regulate behavior. These make statements one, two, three, and five correct. Statement four is incorrect because top executive support is absolutely necessary for success. Without leadership commitment, voluntary behaviors

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62. (D) Assertion (A) is false, but Reason (R) is true.
Developing effective monetary incentives for green behaviors is not straightforward; it is often fraught with challenges, making the assertion false. The reason is true because accurately evaluating environmental performance is complex for HR managers. It requires clear metrics and consistent monitoring, which can be difficult to implement fairly across different roles. Therefore, rewards require significant effort and sophisticated performance management tools.

63. (C) I, III, and IV
Sustainable HRM emphasizes employee well-being, promotes trust, and facilitates work-life balance, making statements one, three, and four correct. Statement two is incorrect because sustainable HRM rejects short-term cost-driven practices that only benefit the employer. Instead, it seeks mutually beneficial relationships and long-term stability for both the organization and its employees. This holistic approach ensures responsibility toward human capital.

64. (C) Green Recruitment and Selection
GreenTech Financials' use of online job portals and video conferencing to eliminate paperwork and travel is a classic example of green recruitment. By explicitly mentioning environmental responsibilities in job descriptions, the company also ensures it attracts candidates who are aligned with its sustainability goals. This approach reduces the environmental impact of the hiring process while building an eco-conscious workforce.

65. (C) Assertion (A) is true, but Reason (R) is false.
The assertion that a system is unsustainable if any of its three pillars is weak is true, as sustainability requires a balanced approach. However, the reason is false because corporate sustainability prioritizes long-term viability and sustainable methods over short-term financial gains. A truly sustainable organization understands that enduring success depends on ecological health and social fairness. Neglecting dimensions undermines viability.

66. (A) Paperless Banking and Virtual meetings
By transitioning to online portals and video conferencing, GreenTech Financials is implementing paperless banking and virtual meeting initiatives. These practices directly reduce the consumption of natural resources and lower carbon emissions associated with physical travel. Such initiatives are practical examples of how organizations can leverage technology to improve environmental management. They contribute to a more efficient operation, aligning with sustainability goals.

67. (B) I, III, and IV
Voluntary pro-environmental behavior decreases the organizational footprint, reduces resource usage, and helps detect equipment faults, making statements one, three, and four correct. Statement two is incorrect because PEB does not isolate employee behavior from organizational success; rather, it actively contributes to it. When employees take initiative for the environment, they enhance the firm's efficiency and reputation, enhancing sustainable performance overall.

68. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Green HRM is a powerful recruitment tool because modern employees often prefer working for organizations committed to social and environmental interests. This is particularly true for highly engaged workers who align their personal values with their employer's corporate responsibility. By promoting its green initiatives, a company can attract and retain top talent motivated to contribute to sustainable goals.

69. (A) Sustainable HRM
The directive to achieve financial, social, and ecological goals simultaneously over the long term is the core definition of sustainable human resource management. This approach moves beyond traditional people management to integrate environmental stewardship and social responsibility into the business strategy. By balancing the "triple bottom line," EcoBank ensures it can withstand climate events while maintaining profitability and stakeholder trust.

70. (B) I, III, IV, and V
Initiatives like reducing printed materials, providing hybrid car loans, conducting video meetings, and using LED bulbs all support environmental management. These make statements one, three, four, and five correct.

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management. This practice involves incorporating environmental indicators into the appraisal process to hold staff accountable for their ecological impact. By measuring and rewarding these behaviors, the bank encourages a workforce-wide commitment to sustainability. This systematic approach ensures green goals are integrated.

88. (B) I, III, IV, and V
Green HRM enhances business opportunities, increases productivity and retention, reduces the carbon footprint, and improves the corporate image. These points make statements one, three, four, and five correct. Statement two is incorrect because green HRM aims to improve employee retention and satisfaction rather than creating a highly competitive environment that leads to increased turnover. By aligning values, companies create a supportive workplace.

89. (B) Strategic HRM
The transition from traditional administrative HR roles to a proactive approach focused on delivering business objectives is the hallmark of strategic HRM. This concept emphasizes the alignment of human resource practices with the organization's overall business strategy. By integrating employee skills with market strategies, the HR department becomes a partner in driving the bank's success. This shift ensures proactive management.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Common good HRM reverses the business perspective from inside-out to outside-in by focusing on the organization's responsibility to society. This makes the assertion true. The reason is also true because the model assumes that the primary purpose of business is to resolve societal sustainability challenges, such as climate change. By starting with these external needs, the organization aligns practices.

91. (B) Green Employee Relations
A suggestion scheme that allows all employees to propose eco-friendly practices is a strategic component of green employee relations. This initiative fosters a culture of participation and engagement, aligning employee goals with the bank's environmental management system. By involving the entire workforce in sustainability efforts, the organization can tap into diverse ideas for improvement and increase individual commitment to ecological goals.

92. (C) The susceptibility to paradoxical sustainability tensions and conflict within diverse business areas.
The decline in short-term economic performance due to heavy investment in environmental training illustrates the paradoxical sustainability tensions inherent in the triple bottom line model. These tensions arise when social or environmental goals conflict with financial objectives. Organizations must navigate these conflicts to achieve balance. Recognizing this vulnerability is essential for managers to develop strategies that manage stakeholder expectations effectively.

93. (D) An outside-in model that recognizes business activity as a means to resolve societal challenges.
Adopting common good HRM to address local youth unemployment is an example of an outside-in model that views business activity as a means to solve societal challenges. This approach prioritizes the common good over narrow organizational interests. It assumes that companies have a fundamental responsibility to contribute to social progress. By focusing on community needs, the bank aligns with societal values.

94. (C) Other Initiatives towards Environmental Management
Replacing energy-intensive lights with LED bulbs falls under the category of "other initiatives" towards environmental management. These are practical, operational changes that directly reduce an organization's resource consumption and carbon footprint. Such efforts, along with paperless banking and solar energy use, are essential components of a green strategy. They provide immediate environmental benefits and cost savings, demonstrating commitment to sustainability.

95. (A) Green Training and Development
The training programs implemented by FinCorp to educate employees on environmental problem-solving are core components of green training

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29. (C) It limits the scope of Sustainable HRM strictly to a societal and human dimension, excluding environmental factors.
Triple Bottom Line HRM includes environmental factors, along with social and economic goals. It does not restrict Sustainable HRM only to societal or human aspects. The concept emphasizes balancing "people, planet, and profit." Other options correctly reflect its integrated, complex, and sometimes tension-filled approach to sustainability and organizational performance.

30. (D) By minimizing negative impacts, reducing business risks, and managing economic risks in people management.
Socially responsible human resource management serves an indirect economic purpose by minimizing negative business impacts and managing risks. By focusing on fair treatment and the well-being of employees, organizations can avoid legal issues and reputational damage. This inside-out approach ensures that social objectives are met while protecting financial interests. Reducing these risks contributes to long-term economic stability and resilient management.

31. (A) IV, III, II, I
Research into sustainable human resource management has evolved through four main forms. It began with socially responsible HRM, focusing on human capital and risk reduction. This was followed by green HRM, emphasizing ecological awareness. The triple bottom line model then integrated economic, social, and environmental goals. Finally, the common good model emerged as an outside-in approach, prioritizing societal challenges.

32. (B) Social Pillar - Profit
Corporate sustainability is built upon three distinct pillars: environmental, social, and economic. The environmental pillar corresponds to the "planet," focusing on ecological health. The social pillar relates to "people," emphasizing the well-being of employees and communities. The economic pillar is associated with "profit," ensuring the organization remains financially viable. Pairing the social pillar with profit is incorrect.

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33. (B) By rewarding employees to increase commitment, pushing them to be environmentally responsible.
Green compensation and rewards are designed to motivate employees to participate in environmental management initiatives. By providing incentives for eco-friendly behaviors and the acquisition of green skills, organizations increase staff commitment to sustainability. These rewards can include bonuses, increments, or non-monetary perks like lifestyle benefits. Aligning personal gains with ecological goals ensures environmental responsibility becomes integral to organizational culture.

34. (A) Statement I is true and Statement II is false.
Green staffing utilizes techniques like interviews to identify candidates with environment-centered orientations, making the first statement true. Conversely, the second statement is false because compensation and reward systems play a substantial role in environmental management. They motivate employees by rewarding green behaviors and commitment to sustainability. Effective reward systems align individual incentives with corporate ecological goals, ensuring environmental performance is prioritized.

35. (A) P-1, Q-2, R-3, S-4
The ISO 14000 family incorporates various standards for environmental management and reporting. Specifically, ISO 14001 provides the key performance indicators required for an environmental performance management system. ISO 14004 offers additional guidelines to help organizations implement and report these standards effectively. Finally, the Global Reporting Initiative provides the underlying framework for incorporating environmental management initiatives alongside ISO standards, ensuring comprehensive reporting.

36. (B) I and III only
Green training aims to educate employees on environmental values and waste reduction, while also facilitating job rotation for developing green managers. This makes statements one and three correct. However, statement two is incorrect because green training encourages the use of online course materials over printed handouts

CHAPTER 23

HR Analytics, HR Entrepreneurship & AI-Based HR Solutions

Oct/Nov 2014

1. The methodology of HR analytics creates insights on how investments in human capital assets contribute to the success of four principal outcomes. Which of the following is NOT one of those principal outcomes?
(A) Generating sustainable revenue
(B) Minimizing operational expenses
(C) Mitigating organizational risks
(D) Reducing social responsibility

May/June 2021

2. When an organization aims to obtain an incredibly accurate picture of employee achievement and align employees with the company's vision, which specific data points (metrics) are most commonly measured?
(A) Healthcare cost per employee and Benefits satisfaction ratings based on internal surveys.
(B) Annual cost per employee and the total percentage of staff satisfied with current pay.
(C) Target achievement percentages, profit per employee, and per employee business values.
(D) Impact of attrition rates on the exchequer and long-term policies on succession planning.

Oct/Nov 2007

3. Which of the following best explains the conceptual need for implementing HR Analytics in organizations?
(A) It eliminates the need for human decision-making by replacing managerial roles with automated algorithms.
(B) It restricts organizational focus to historical data without attempting to influence future business strategies.
(C) It identifies high performers and provides actionable insights derived from patterns within HR functions.
(D) It creates a rigid operational framework that prevents employees from taking risks or pursuing innovations.

May/June 2005

4. Consider the following statements regarding the functioning of Descriptive Analytics:
I. Data Aggregation is the process of collecting and organizing data to create manageable data sets.
II. Data Mining, also known as Data Discovery, is where patterns, trends, and meanings are identified from the aggregated data sets.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2023

5. Consider the following statements regarding the relevancy of HR Metrics and HR Analytics for 'Business Value':
I. HR Metrics are meaningless without HR Analytics.
II. HR Metrics can feed and provide data to HR Analytics.
III. Faulty data provided by HR Metrics will create inaccurate results in HR Analytics.
Which of the statements given above are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2012

6. Match the items in List I with the core questions in List II and select the correct answer using the codes given below:
List I: (Types of Analytics)
P. Descriptive Analytics

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IV. Inability to manage relationships with outsourcers.
V. Likely hood of cost escalation by the time of completion of the project.

Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2019

42. Arrange the first four steps of the 8-step model for implementing an HR Analytics strategy in correct chronological order:
I. Conducting Analysis
II. Framing questionnaire on Business/HR
III. Gathering data
IV. Building Hypothesis
(A) II, IV, III, I
(B) IV, II, I, III
(C) II, III, IV, I
(D) III, II, IV, I

Oct/Nov 2014

43. Consider the following statements regarding the traits of an 'HR Entrepreneur':
I. They confine themselves strictly to the traditional role of people management without leaning into holistic business aspects.
II. They have an innovative ability to evolve creative HR policies and possess a propensity to take high risks and greater challenges.

Which of the statements given above is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2021

44. Consider the following statements regarding the potential disadvantages of HR Analytics:
I. It involves handling huge amounts of sensitive and confidential data, making security and privacy a major concern.
II. It eliminates the need for multiple levels of access, simplifying system architecture.
III. High acquisition and maintenance costs act as a deterrent, especially for smaller companies.
IV. Operating sophisticated HR analytics tools requires special expertise, resulting in additional training costs.

Which of the above statement(s) is/are correct?
(A) I, II, and III
(B) II, III, and IV
(C) I, III, and IV
(D) I, II, and IV

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Oct/Nov 2007

45. Match the items in List I with the outcomes in List II and select the correct answer using the codes given below:
List I: (HR Outsourcing Concepts)
P. Routine and repetitive activities
Q. Developmental HR roles
R. Non-core HR functions
S. Employee outsourcing in Public Sector Banks

List II: (Contextual Outcomes)
1. Retained internally to attract talent and build workforce capabilities.
2. Often outsourced to highly reputed agencies for valuable inputs.
3. Handed over to third-party specialists for significant cost savings.
4. Seldom followed as banks require employees with high moral values handling public money.

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-4, S-3
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-4, R-3, S-1

May/June 2005

46. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): Prescriptive analytics is rarely used in day-to-day business operations.
Reason (R): It is the most complex stage of the business analytics process, requiring much more specialized analytics knowledge to perform.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2010

12. Consider the following statements regarding 'Workforce Analytics':

I. It refers only to regular on-sight employees and strictly excludes freelancers or remote workers.

II. It makes scope for the future inclusion of Artificial Intelligence and robots that will potentially replace current jobs.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2024

13. A multinational firm is concerned about a sudden dip in workforce loyalty. The HR leadership initiates a study to measure the percentage of achievement of organizational goals against the time spent by employees in one-to-one meetings with their managers. Which analytical domain does this scenario predominantly represent?

(A) Employee Engagement analysis
(B) Employee Benefits analysis
(C) Compensation & Remuneration impact
(D) Productivity and Performance tracking

May/June 2017

14. A bank manager notices that the number of employee turnovers in the loan processing department has increased by 15% over the last quarter. The manager calculates this as a percentage of the total workforce in the section. Later, the HR department analyzes this data to find the common reasons for these resignations and creates a remediation plan. The manager's initial action and the HR department's subsequent action represent which two concepts respectively?

(A) HR Analytics and Workforce Analytics
(B) People Analytics and HR Metrics
(C) HR Metrics and HR Analytics
(D) Descriptive Analytics and Prescriptive Analytics

Oct/Nov 2005

15. The talent acquisition team of a bank wants to estimate how long newly hired cashiers are likely to stay with the company before deciding to extend employment offers. They utilize data mining and statistical modeling based on historical candidate data to generate probabilities. This approach represents which specific analytical methodology?

(A) Prescriptive Analytics
(B) Descriptive Analytics
(C) Artificial Strong Intelligence
(D) Predictive Analytics

May/June 2020

16. Which key driver has most prominently necessitated the transformation of the HR function from a traditional 'Personnel Department' to a strategic business partner?

(A) A volatile global business environment requiring rapid adaptation and significant operational cost optimizations.
(B) The stabilization of the global business environment through the use of standardized technological applications.
(C) The reduction in employee expectations and preferences regarding workplace compensation and benefit packages.
(D) The elimination of digital space innovations, leading to a total reliance on manual administrative processes.

Oct/Nov 2015

17. An HR analyst is asked to prepare a visual presentation for the board of directors. The analyst gathers past records and creates pie charts and line graphs showing the headcount report of all employees, broken down by demographics. Which type of analytics is the analyst performing?

(A) Descriptive Analytics
(B) Prescriptive Analytics
(C) Predictive Analytics
(D) Deep Learning Analytics

May/June 2013

18. Which of the following represents the most appropriate outcome of integrating HR Metrics and HR Analytics within an organization?

(A) A symbiotic relationship establishing a holistic process for measuring business value and policy efficacy.
(B) The permanent elimination of the need for human resource professionals in all operational departments.
(C) A guarantee of the absolute elimination of employee turnover irrespective of external

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wherever required.

May/June 2022

30. Identify the incorrect statement regarding the broad areas of application of HR Analytics and the HR metrics used to provide data.
(A) Employee Engagement — Attrition rates, compensation levels, time and attendance management.
(B) Hiring & Retention of Key Talents — Time to hire, % of vacant posts, reasons for attrition.
(C) Employee Benefits — Budgetary allocation to employee benefits, Healthcare cost per employee.
(D) Compensation & Remuneration — Profit per employee, Return on Investment on Human Capital.

Oct/Nov 2022

31. An organization is embarking on an HR Analytics project. The lead analyst insists that before any data is gathered, they must explicitly articulate the exact business reason for the analysis. What is the primary justification for undertaking this initial step?
(A) To bypass the formulation of hypotheses and move directly to the final execution phase.
(B) To ensure that external stakeholders dictate the statistical methods to be applied locally.
(C) To avoid incorrect analysis and maximize the likelihood of project success.
(D) To immediately evaluate whether the project returned financial value to the organization.

May/June 2018

32. Match the items in List I with the meanings in List II and select the correct answer using the codes given below:
List I: (Features of Entrepreneurship)
P. Innovativeness
Q. Risk taking ability
R. Pro-activeness
S. Entrepreneurial mindset
List II: (Meanings)
1. Willingness to deal with uncertainty and manageable failures.
2. Execution and fulfillment of necessary activities and actions.
3. Not a business model but a question of innovative thinking.
4. Searching for creative or novel things, discovering new markets.
(A) P-4, Q-1, R-2, S-3
(B) P-1, Q-4, R-3, S-2
(C) P-3, Q-2, R-1, S-4
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2016

33. Identify the incorrect statement regarding the limitations or disadvantages of Descriptive Analytics.
(A) It relies solely on historical data and simple calculations.
(B) It necessitates massive neural networks and unstructured data processing for basic reporting.
(C) It is highly reactive and does not attempt to go beyond the surface data and analysis.
(D) Insights learned from this analysis are not used for making inferences or predictions.

May/June 2014

34. Consider the following functions/areas of HR:
I. Analyzing organizational structure
II. Training & Skill Development
III. Benefits Administration
IV. Medical & Health services
Which of these are recognized as broad areas suitable for HR Outsourcing?
(A) I and II only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

Oct/Nov 2009

35. Identify the correct statement regarding the advantages of using HR Analytics in an organization.
(A) It provides verifiable data to business leaders to back talent hiring, retention, and engagement policies.
(B) It guarantees the absolute elimination of training costs for the HR department.
(C) It reduces the need for secure data handling protocols since the data is anonymized automatically.
(D) It is an inexpensive tool that completely replaces human intuition without requiring any specialized IT expertise.

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(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-1, R-2, S-3
(C) P-2, Q-3, R-4, S-1
(D) P-3, Q-4, R-1, S-2

May/June 2008

24. How is 'Descriptive Analytics' fundamentally defined in the context of HR Analytics?
(A) The use of machine learning algorithms to automate operational tasks without historical records.
(B) The final stage in the business analysis process that exclusively prescribes future actions.
(C) An autonomous neural network system designed to predict multiple outcomes simultaneously.
(D) The collection and organization of historical data to present it in an easily understood format.

Oct/Nov 2013

25. An organization wants to minimize operational costs and maximize employee engagement. To achieve this, the HR department starts tracking the number of years of service of serving employees, the reasons for absenteeism, and identifies the most productive recruitment channels. Which broad area of HR Analytics is the organization primarily applying?
(A) Productivity and Managing goals
(B) Hiring & Retention of Key Talents
(C) Employee Benefits
(D) Compensation & Remuneration

May/June 2015

26. Identify the correct statement regarding the scope of 'People Analytics'.
(A) It is restricted exclusively to the regular, full-time employees working on-site within a single organization.
(B) It focuses entirely on tracking hardware efficiency and physical infrastructure deployment across the firm.
(C) It is an obsolete term that has been completely replaced by 'Descriptive Analytics' in the banking sector.
(D) It applies to diverse groups, including employees, customers, and suppliers, to drive business excellence.

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Oct/Nov 2012

27. Which of the following best captures the conceptual essence of 'Predictive Analytics'?
(A) It uses statistical models and forecasts to answer the question of what could happen in the future based on historical data patterns.
(B) It utilizes arithmetic and average calculations solely to explain why something already happened.
(C) It anticipates what, when, and why something might happen, explicitly outlining the best course of action to mitigate risks.
(D) It mimics the human brain using multi-layered deep neural networks for autonomous robotic functions.

May/June 2011

28. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): HR analytics can be understood as being highly credible in formulating HRM strategies.
Reason (R): It provides statistically valid data and evidence that can be used during the implementation of existing HR strategies and other measures.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2020

29. Which of the following is NOT an intended benefit of analyzing HR metrics related to 'Employee Benefits'?
(A) Aligning employee benefit metrics with overall organizational objectives.
(B) Preparing a matrix of benefit schemes according to popularity.
(C) Identifying best recruiting channels to reduce the time-to-hire for key talents.
(D) Knowing which schemes have a propensity to improve morale to replace schemes

May/June 2010

54. How is 'Human Resource Outsourcing' defined in the context of organizational HR models?
(A) An internal restructuring process where all HR managers are re-assigned to front-line sales duties.
(B) The implementation of Deep Learning algorithms to replace executive decision-making processes.
(C) A practice where a third-party is hired to handle specific HR activities via contractual agreement.
(D) A temporary suspension of all HR activities during periods of significant corporate downsizing.

Oct/Nov 2024

55. The three fundamental features of 'Entrepreneurship' are identified as Innovativeness, Risk taking ability, and Pro-activeness. What does 'Pro-activeness' specifically focus upon in this context?
(A) The execution and fulfillment of the entrepreneurial concept through necessary activities.
(B) The discovery of new markets and the introduction of novel products or services.
(C) Dealing with high levels of uncertainty and managing the possibilities of failure.
(D) Waiting for organizational change to be mandated by the executive management team.

May/June 2017

56. Identify the correct pair regarding the types of HR analytics and their specific advantages.
(A) Prescriptive Analytics — Provides recommendations on the best course of action by taking advantage of opportunities or averting risks.
(B) Descriptive Analytics — Helps identify possible security breaches and forecast supply chain inventory demands.
(C) Predictive Analytics — Evaluates multiple futures to make it possible to consider possible outcomes before decisions are made.
(D) Descriptive Analytics — Predicts candidate turnover before they are hired based on probabilities.

Oct/Nov 2005

57. The relational judgment of an employer regarding the deployment of employees based on their expertise, orientation, and aspirations is described as 'tacit knowledge'. What is the most appropriate implication of this tacit knowledge concerning HR Outsourcing?
(A) These functions must be handled internally by managers familiar with the organizational culture.
(B) These specific roles can be easily handed over to a third-party specialist without any strategic risk.
(C) Tacit knowledge functions are routine and repetitive, making them the best candidates for outsourcing.
(D) Outsourcing these functions guarantees the absolute generation of capability by external vendors.

May/June 2020

58. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): HR Analysts must uncover and explicitly present insights rather than merely presenting data and analysis.
Reason (R): Project sponsors and stakeholders always possess the required statistical ability and skill to derive the most pertinent insights independently.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2015

59. An HR manager at a fast-growing tech firm decides to treat the employees with the same level of care as the company's premium customers. The manager initiates a new program, taking personal accountability for the quality of training, controlling associated costs, and actively seeking to overcome risks by undertaking robust research. This behavioral shift best illustrates which concept?

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May/June 2016

36. A multinational corporation decides to outsource its payroll and applicant tracking processes to a specialized external vendor. As a result, the internal HR team is freed up and directed to focus exclusively on industrial relation management and championing employee concerns. What strategic benefit does this scenario predominantly highlight?
(A) The liberation of internal HR resources for developmental and transformational roles.
(B) The achievement of artificial strong intelligence integration within the payroll sector.
(C) The complete elimination of all organizational risk associated with manual data entry.
(D) The generation of high employee turnover rates within the external outsourcing firm.

Oct/Nov 2025

37. A retail organization experiences significant fluctuations in footfall during summer months. The management wants to determine precisely how many staff members to properly onboard based on their specific skills and strengths to handle the peak season optimally. The management deploys a complex tool that recommends the best possible courses of action. Which analytics type is being used?
(A) Prescriptive Analytics
(B) Descriptive Analytics
(C) Predictive Analytics
(D) Retrospective Analytics

May/June 2023

38. What is the fundamental definition of 'Entrepreneurship'?
(A) The administrative function of assigning standardized tasks to subordinate employees within a hierarchy.
(B) The process of auditing financial statements to ensure legal compliance with corporate governance.
(C) A theoretical framework focused on minimizing organizational risk by avoiding entry into new markets.
(D) Recognizing and harnessing opportunities to create value by optimally combining resources.

Oct/Nov 2018

39. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): The ultimate objective of the HR entrepreneur is to enhance organizational performance by focusing on outcomes rather than the roles assigned to an individual.
Reason (R): Successful HR entrepreneurs invest more effort to learn about the unknown and turn problems into opportunities and challenges.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

40. Consider the following descriptions representing various steps in implementing an HR Analytics strategy:
I. Conducting Analysis applies methodology and statistics to data to test hypotheses.
II. Revealing Insights ensures executives do not draw their own conclusions that fit their preconceptions.
III. Providing Recommendations delivers well-articulated ideas that act as a great impetus for change.
IV. Putting Your Point Across uses storytelling to inform decision making.
V. Implementation and Evaluation formulates actions based on decisions and evaluates returned value.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, IV, and V only
(C) I, III, and V only
(D) I, II, III, IV, and V

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Oct/Nov 2006

41. Consider the following barriers to HR Outsourcing:
I. Questionable cost/benefit justification.
II. Inadequate readiness of people and systems.
III. Organizational resistance from within HR and from Trade Unions.

market conditions.

(D) The replacement of strategic management with automated administrative welfare and compliance programs.

Oct/Nov 2021

19. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:

Assertion (A): HR Metrics serve as an indicator pointing out operational shortcomings, but they by themselves do not reveal the remedial measures needed.

Reason (R): HR Analytics creates a path towards solutions but requires the sound data that HR Metrics provide to deliver high-quality, reliable outcomes.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

May/June 2024

20. Consider the following statements regarding the benefits of analyzing specific HR areas through analytics:

I. Analyzing compensation helps to detect and prevent issues and makes compensation decisions more transparent.

II. Analyzing productivity helps identify performers and non-performers to devise proper rewards.

III. Analyzing employee engagement helps find the amount of work done outside normal working hours.

IV. Analyzing hiring and retention helps predict future attrition rates and take expeditious remedial measures.

Which of the above statement(s) is/are correct?

(A) I, II, and III only

(B) II, III, and IV only

(C) I, III, and IV only

(D) I, II, III, and IV

Oct/Nov 2008

21. Consider the following statements regarding the techniques used in Predictive Analytics:

I. It relies heavily on data mining techniques to discover historical data sets.

II. It utilizes statistical modelling to find mathematical relationships between variables to predict outcomes.

III. It applies machine learning algorithms like classification, regression, and clustering to attempt to forecast possible future outcomes.

Which of the above statement(s) is/are correct?

(A) I and II only

(B) II and III only

(C) I and III only

(D) I, II, and III

May/June 2006

22. Identify the incorrect statement regarding the differences between HR Metrics and HR Analytics.

(A) HR Metrics restrict their scope to revealing what is happening or has recently happened based on hard data.

(B) HR Analytics are qualitative estimates that function independently of hard data or HR Metrics.

(C) HR Analytics imply analyses and decision-making focused on comparing variables to guide future decisions.

(D) HR Metrics are typically associated with operational measures and numbers that organizations track.

Oct/Nov 2017

23. Match the items in List I with the descriptions in List II and select the correct answer using the codes given below:

List I: (Concept/Scope)

P. Concept of HR Metrics

Q. Concept of HR Analytics

R. Scope of HR Metrics

S. Scope of HR Analytics

List II: (Description)

1. Focuses on developing business measures that can predict future outcomes.
2. Restricts to revealing what is happening, based on hard data.
3. Looks beyond the numbers to find out why something is happening.
4. Typically associated with operational measures and numbers to track efficiency.

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Oct/Nov 2023

47. Identify the incorrect statement regarding the objectives of HR Outsourcing.
(A) To deliver cost savings, whether direct or indirect.
(B) To ensure compliance with legal, regulatory, and best practice requirements.
(C) To liberate internal HR resources to be redeployed to man developmental HR roles.
(D) To centralize all business operations within a non-specialized internal administrative unit.

May/June 2012

48. In the context of the 8-step HR Analytics strategy implementation model, which step is described as important for "testing" beliefs about the causes of business issues by formulating and listing out assumptions in advance?
(A) Framing questionnaire on Business/HR
(B) Building Hypothesis
(C) Gathering data
(D) Revealing Insights

Oct/Nov 2010

49. Consider the following statements regarding the expected qualities of an HR Entrepreneur:
I. They wait for change and prefer to follow instructions rather than lead from the front.
II. They embrace constraints and have the ability to face them resolutely and boldly.
III. They possess a holistic understanding and perspective of organizational goals and strategies.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2025

50. Which of the following is NOT considered an advantage of implementing HR Analytics?
(A) Making better HR decisions by analyzing critical workforce insights.
(B) Identifying departments suffering from maximum attrition to improve employee retention.
(C) Decreasing the overall acquisition and system maintenance costs for the HR department.
(D) Running machine learning algorithms on jobseekers' data to identify the best matching talent.

Oct/Nov 2019

51. In the context of the Banking Industry in India, on what basis is the contractual employment of retired employees/officers typically resorted to?
(A) To completely replace all newly recruited junior officers with automated administrative systems.
(B) To bypass all trade union regulations regarding standard working hours and employee welfare.
(C) As a mandatory punitive measure for banks failing to meet quarterly financial profit targets.
(D) Productive use of their long experience in strategic functions per Government/IBA guidelines.

May/June 2009

52. Arrange the final four steps of the 8-step model for implementing an HR Analytics strategy in correct chronological order:
I. Providing Recommendations
II. Implementation And Evaluation
III. Revealing Insights
IV. Putting Your Point Across
(A) I, III, IV, II
(B) III, I, IV, II
(C) III, IV, I, II
(D) IV, I, III, II

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Oct/Nov 2011

53. Identify the incorrect pair linking the HR Analytics implementation step to its core activity.
(A) Gathering data — Identifying the most relevant data and determining whether data quality is sufficient.
(B) Conducting Analysis — Applying simple and complex statistics to provide the basis for insights.
(C) Putting Your Point Across — Developing the initial business questionnaire to define project scope.
(D) Implementation And Evaluation — Formulating actions for execution and evaluating the project against value returned.

Q. Predictive Analytics
R. Prescriptive Analytics
S. Business Analytics (General Objective)

List II: (Core Questions)
1. What could happen?
2. What should happen?
3. What has happened?
4. Reveal invaluable insights for better decision-making.

(A) P-3, Q-1, R-2, S-4
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2010

7. What is the precise definition of 'Human Resource Analytics' in the context of contemporary organizational management?
(A) The conventional process of auditing personnel records and verifying statutory compliance across all internal departments.
(B) The application of analytical processes to human capital data to enhance organizational performance and employee retention.
(C) A generic tracking mechanism applied to external stakeholders to measure brand perception and market share movements.
(D) A qualitative appraisal system utilized by line managers to determine the annual financial rewards for entry-level staff.

May/June 2025

8. Match the items in List I with the descriptions in List II and select the correct answer using the codes given below:

List I: (HR Areas)
P. Productivity and Managing goals
Q. Employee Engagement
R. Employee Benefits
S. Hiring & Retention

List II: (Analytical Benefits)
1. Prepares a matrix of schemes according to popularity to improve morale.
2. Identifies the best recruiting channels for key talents.
3. Ascertains the ratio of highly motivated employees vs. low engaged ones.
4. Evolves a systematic approach to performance management and 360-degree feedback.

(A) P-4, Q-3, R-1, S-2
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-2, S-1
(D) P-1, Q-2, R-3, S-4

Oct/Nov 2019

9. Identify the correct statement regarding the analysis of 'Productivity and Managing the organizational goals'.
(A) It primarily focuses on the allocation towards benefits as a percentage to net profit.
(B) It helps create 360-degree feedback between leaders and their teams and improves creative abilities.
(C) It relies entirely on evaluating the average compensation details of major peer companies.
(D) It tracks the percentage of vacant posts cadre-wise to build a leadership pipeline.

May/June 2009

10. Identify the correct pair representing the concepts and their precise focus areas.
(A) HR Analytics — Measures customer satisfaction and shareholder dividends exclusively.
(B) HR Metrics — Looks beyond numbers to try to find out why something is happening.
(C) People Analytics — Analyzes information relating to employees, shareholders, customers, and suppliers.
(D) Workforce Analytics — Focuses solely on algorithms for robotic assembly lines.

Oct/Nov 2011

11. Which of the following represents the most appropriate description of 'Prescriptive Analytics'?
(A) The strict calculation of average tenure using basic arithmetic on simple internal databases.
(B) A reliance on manual intuition without the integration of internal or external data streams.
(C) A theoretical concept that cannot be practically applied in complex organizational settings.
(D) Recommendations for action based on predictions and history to capture future opportunities.

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(A) Descriptive HR Analytics
(B) Traditional Personnel Management
(C) HR Entrepreneurship
(D) Machine Learning Deployment

May/June 2013

60. A medium-sized enterprise recently adopted a sophisticated HR analytics system. Shortly after, unauthorized personnel accessed confidential compensation data, leading to severe internal conflict. To prevent recurrence, management must constantly monitor the system and ensure multiple levels of access. This scenario highlights which specific aspect of HR Analytics?
(A) Transforming HR as a strategic partner
(B) Security and privacy disadvantages
(C) Predictive capabilities of hiring needs
(D) Ensuring better Quality of Hire

Oct/Nov 2021

61. Identify the correct statement regarding Artificial Strong Intelligence (ASI).
(A) It is currently the most widely deployed technology in commercial HR dashboards.
(B) It encompasses systems like Apple's Siri and Amazon's Alexa.
(C) It is a theoretical form of AI where machines possess intelligence equivalent to humans.
(D) It strictly relies on unsupervised learning using labeled data sets in structured formats.

May/June 2024

62. A hiring manager often struggles with unconscious bias during interviews, leading to inconsistent candidate evaluations. To rectify this, the HR department implements an AI tool that gathers data from previous employees in similar roles and formulates standardized, targeted questions to ensure a strict role-skill match. What primary benefit is the AI providing here?
(A) Helping overcome subjectivity in the interview stage.
(B) Shortening time to productivity.
(C) Automating the delivery of company policies.
(D) Generating individualized career paths.

Oct/Nov 2008

63. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): Business Process Outsourcing has proved beneficial to large corporates during recessions by preventing them from bearing heavy fixed costs.
Reason (R): Outsourcing non-core activities allows companies to avoid the retrenchment and periodic downsizing that traditional structures with regular staff suffered.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2006

64. Identify the correct statement regarding AI's role in 'Career Development'.
(A) AI limits employees to their entry-level roles to prevent frequent job hopping.
(B) AI generalizes career paths to ensure all employees undergo the same learning experiences.
(C) AI-driven systems mitigate bias through continuous testing and collaborative activities.
(D) AI completely replaces human managers, ensuring no guidance is provided alongside content.

Oct/Nov 2017

65. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): Deep learning systems require far more powerful hardware and resources compared to traditional machine learning programs.
Reason (R): Deep learning employs complex, multi-layered "deep neural networks" built to allow massive volumes of unstructured data to be passed between nodes in highly connected ways.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

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(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

66. In the context of modern career development trends, what behavioral pattern is frequently observed among Gen Y and Gen C employees?
(A) They will resort to job hops at least four times by the time they are aged 32 years.
(B) They remain with their initial employers for the entirety of their careers.
(C) They actively reject all forms of learning and career opportunities provided by employers.
(D) They prefer conventional learning approaches over customized AI engagement.

Oct/Nov 2013

67. Consider the following statements representing potential disadvantages of HR Outsourcing:
I. Employees with key talents may feel disposable or threatened and may quit their jobs.
II. Possible communication issues may arise due to language or time zones between outsourcing partners.
III. It guarantees the absolute protection of data security, eliminating confidentiality concerns entirely.
Which of the above statement(s) is/are correct?
(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2015

68. Identify the incorrect statement regarding the differences between Machine Learning and Deep Learning.
(A) Machine learning systems can be set up and operate quickly but may be limited in the power of their results.
(B) Machine learning typically needs less ongoing human intervention than deep learning.
(C) Deep learning takes more time to set up but can generate results instantaneously once programmed.
(D) Deep learning can analyze images, videos, and unstructured data easily than machine learning.

Oct/Nov 2012

69. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): AI significantly enhances an employee's productivity and competency in the workplace through personalized learning.
Reason (R): AI gathers information on an employee's learning habits, skill interests, work style, and projects to provide appropriate recommendations for courses.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2011

70. An individual uses voice-activated software on their smartphone to dictate an email while driving and simultaneously asks the software to search the internet for a nearby restaurant. The software successfully executes these tasks. Which specific type of AI is actively demonstrating this capability?
(A) Artificial General Intelligence
(B) Artificial Super Intelligence
(C) Artificial Narrow Intelligence
(D) Prescriptive Analytics Network

Oct/Nov 2020

71. Late at night, a prospective candidate wants to know about the company's maternity benefits before applying for a job. They visit the company's website and interact with a friendly customer-facing interface that immediately answers their queries using natural language. What specific AI feature is the candidate interacting with?
(A) Chatbot
(B) Machine Learning Data Aggregator
(C) Prescriptive Analytics Dashboard
(D) Biologically-inspired neural network architecture

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May/June 2022

72. What is the definition of 'Artificial Intelligence (AI)' in simple parlance?
(A) The process of generating hard-copy historical data metrics for human interpretation.
(B) Building smart machines capable of performing tasks that require human intelligence.
(C) A strictly mechanical hardware framework that requires explicit line-by-line programming.
(D) An organizational strategy aimed at outsourcing all human capital to third-party vendors.

Oct/Nov 2022

73. Consider the following capabilities regarding the role of AI in 'Recruitment & Selection':
I. Reduces time and effort by maintaining databases and arranging interviews.
II. Gathers data from previous employees to prepare targeted questions for hiring managers.
III. Evaluates candidate resumes and eliminates those not appropriate for the position.
IV. Uncovers candidates by learning synonymous words commonly used in resumes through ML algorithms.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2018

74. Which of the following represents the most appropriate outcome of passing tremendous volumes of data through the hidden layers of a Deep Learning model?
(A) A linear regression model constrained by structured row and column inputs for basic reporting.
(B) The need for explicit line-by-line programming to sort categorical variables like 'fruit' or 'meat'.
(C) Non-linear transformation of data into abstract forms with minimal need for human intervention.
(D) A system's reduced ability to analyze images and videos compared to basic machine learning models.

Oct/Nov 2016

75. What is the most appropriate way AI addresses the challenge of employee retention in modern talent management?
(A) By enforcing rigid career development protocols that restrict all internal employee mobility.
(B) By removing all forms of employee recognition to ensure strict organizational hierarchy.
(C) By evaluating engagement through subjective and unrecorded managerial opinions exclusively.
(D) By anticipating needs and behavior to allow HR specialists to act proactively.

May/June 2014

76. Which of the following is considered an EXCEPTION to the general disadvantages and barriers associated with HR Outsourcing?
(A) Losing considerable amount of authority to the outsourcer.
(B) Lower than contracted service levels at the outsourcer.
(C) Demotivation among existing employees on the fear of losing their job.
(D) Sharing risk and liability for people issues with the outsourcing firm.

Oct/Nov 2009

77. A critical executive announces their resignation unexpectedly, causing panic about leadership continuity. The HR department relies on an AI tool that analyzes employee sentiment, potential career paths, and salary history to formulate predictions on who else might leave, while also identifying employees ready to step up based on cultural fit and leadership capability. Which HR function does this scenario represent?
(A) On-boarding Orientation
(B) Employee Benefits Administration
(C) Recruitment Screening
(D) Succession Planning

May/June 2016

78. Match the items in List I with the descriptions in List II and select the correct answer using the codes given below:
List I: (AI Subsets)
P. Artificial Intelligence
Q. Machine Learning
R. Deep Learning

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8. (A) P-4, Q-3, R-1, S-2
Different HR domains derive unique benefits from analytical applications. Productivity management utilizes systematic feedback loops, while hiring focus shifts to identifying effective recruitment channels. For engagement, analytics measures the ratio of motivated staff. In benefits administration, popularity matrices help optimize scheme selection. These targeted applications ensure that data-driven insights directly support specific functional improvements across the entire human resource spectrum.

9. (B) It helps create 360-degree feedback between leaders and their teams and improves creative abilities.
Analyzing productivity and organizational goals involves sophisticated feedback mechanisms between leadership and their teams. This process often incorporates 360-degree feedback systems to provide a comprehensive view of performance. By tracking these metrics, organizations can foster creative abilities and ensure that individual outputs remain aligned with strategic objectives. It moves beyond simple headcounts to focus on the quality of interactions.

10. (C) People Analytics — Analyzes information relating to employees, shareholders, customers, and suppliers.
People analytics encompasses a broad scope that extends beyond internal staff to include stakeholders like shareholders, customers, and suppliers. This holistic approach recognizes that human interactions across the entire business ecosystem impact performance. While HR analytics specifically targets employee-related data, people analytics provides a more comprehensive view of how all human participants contribute to the organization's sustained success and value.

11. (D) Recommendations for action based on predictions and history to capture future opportunities.
Prescriptive analytics represents the most advanced stage of the analytical hierarchy by offering specific recommendations for future action. It combines historical data with predictive modeling to suggest the best paths for capturing opportunities or mitigating risks. This approach transforms data into a roadmap for decision-making, ensuring that organizations do not just understand the future but actively influence it through optimized strategies.

12. (B) Only II
Workforce analytics is a dynamic field that evaluates all aspects of the labor force, including diverse employment types. Importantly, it makes scope for the future inclusion of artificial intelligence and robotics. By analyzing how these technologies might supplement or potentially replace current human jobs, organizations can prepare for significant shifts in operational structures and talent requirements in the coming years.

13. (A) Employee Engagement analysis
The study of workforce loyalty in relation to managerial interactions falls under the domain of employee engagement analysis. This area focuses on understanding the emotional and professional connection staff have with the organization. By correlating goal achievement with meeting frequency, HR can identify factors that drive commitment and motivation, allowing for targeted interventions to improve morale and reduce unexpected employee turnover.

14. (C) HR Metrics and HR Analytics
Tracking operational figures like turnover percentages constitutes the use of HR metrics to identify what has occurred. Investigating the underlying causes of those figures and developing a remediation plan represents HR analytics. While metrics provide the necessary data points, analytics offers the strategic interpretation required to understand workforce issues and implement effective solutions to improve overall organizational health and stability.

15. (D) Predictive Analytics
Utilizing historical data combined with statistical modeling to determine the probability of future outcomes is the core function of predictive analytics. This methodology enables organizations to forecast behaviors, such as how long a new hire might remain with the company. By generating these probabilities, hiring teams can make more informed employment decisions that enhance long-term retention and workforce planning efficiency.

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(D) Neither I nor II

May/June 2019

84. Consider the following statements regarding AI's application in Compensation and Talent Management:

I. AI provides a strategic view on how roles should be banded by analyzing local market and competitor salary data.

II. AI increases recruiting efficacy by calculating the odds of whether a candidate will accept a specific offer.

III. AI creates an environment that personalizes career development and steers compensation strategy.

IV. AI equips employees with required intelligence and offers suggestions for day-to-day job duties.

V. AI forces a traditional one-size-fits-all approach, ignoring personal goals and well-being.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV
(B) II, III, IV, and V
(C) I, III, IV, and V
(D) I, II, IV, and V

Oct/Nov 2014

85. Match the items in List I with the HR functions in List II and select the correct answer using the codes given below:

List I: (AI Application)

P. Reviewing and screening vast pools of resumes
Q. Customizing procedures and capturing electronic signatures
R. Modifying curriculum based on role and location
S. Banding roles by analyzing wealth of salary data points

List II: (HR Function)

1. Compensation Management
2. Recruitment & Selection
3. Learning & Development
4. On-boarding/Orientation

(A) P-2, Q-4, R-3, S-1
(B) P-4, Q-2, R-1, S-3
(C) P-1, Q-3, R-4, S-2
(D) P-3, Q-1, R-2, S-4

May/June 2021

86. In a Public Sector Bank, management attempts to outsource core front-desk employee positions to a private agency to reduce operational costs. However, this move faces severe backlash, and operations are temporarily halted. What is the most likely premise for this resistance?

(A) The Government of India strictly prohibits any form of automation in banking infrastructure.
(B) Trade Union resistance based on fears of unemployment and reduced promotional opportunities.
(C) The private agency lacks Artificial Narrow Intelligence capabilities required for front-desk operations.
(D) The retired officers association demands exclusive rights to all outsourced positions.

Oct/Nov 2007

87. Which of the following is NOT a capability of AI when utilized for 'Succession Planning'?

(A) Identifying flight risk by drawing on different attributes and behaviours.
(B) Guaranteeing the absolute prevention of employee retirement upon reaching superannuation.
(C) Formulating conclusions on predicted attrition rates based on salary history and mentorship influences.
(D) Uncovering the most capable successors by analyzing cultural fit and past accomplishments.

May/June 2005

88. Match the items in List I with the characteristics in List II and select the correct answer using the codes given below:

List I: (Comparative Factors)

P. Human Intervention in Machine Learning
Q. Hardware for Deep Learning
R. Approach in Machine Learning
S. Applications of Deep Learning

List II: (Characteristics)

1. Tends to require structured data and uses traditional algorithms like linear regression.
2. Requires far more powerful resources and hardware.
3. Enables autonomous programs like self-driving cars or robots performing advanced surgery.
4. Computers think and act with less

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S. Artificial Narrow Intelligence

List II: (Descriptions)

1. A subset focusing on enabling computers to perform tasks without explicit programming.
2. Focused on performing a single task extremely well under far more constraints than human intelligence.
3. A science devoted to making machines think and act like humans.
4. Uses biologically-inspired neural network architecture containing hidden layers.

(A) P-3, Q-1, R-4, S-2
(B) P-1, Q-2, R-3, S-4
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-4, R-1, S-3

Oct/Nov 2025

79. Consider the following statements regarding the role of AI in On-boarding/Orientation:

I. AI allows procedures to be customized to specific workers and separates their associated roles.
II. AI tracks which documents were read and captures electronic signatures, removing the need for manual follow-up.
III. AI delays the time to productivity by overwhelming the new hire with non-essential journal articles.

Which of the statements given above are correct?

(A) I and II only
(B) II and III only
(C) I and III only
(D) I, II, and III

May/June 2023

80. A newly hired employee is confused about the company's onboarding procedures. Instead of calling the HR department, the employee speaks a command into a designated app on their tablet. The app understands the intent, answers the queries, and proactively suggests the next required onboarding steps. This technology is best categorized as a/an:

(A) Predictive Statistical Model
(B) Descriptive Data Aggregator
(C) Outbound HR Consultant
(D) Digital Assistant (Virtual Assistant)

Oct/Nov 2018

81. Match the items in List I with the outcomes in List II and select the correct answer using the codes given below:

List I: (AI Capability)

P. Gauging mood, anxiety, and stress levels through voice
Q. Simulating person-to-person conversation via Chatbots
R. Recommending job-related learning based on successful employees
S. Anticipating candidate behavior and likelihood to accept an offer

List II: (Employee Outcomes)

1. Shortens time to productivity during onboarding.
2. Increases recruiting efficacy and offer individualization.
3. Offers immediate response to hiring questions or training issues.
4. Helps HR leaders understand when to step in and provide necessary well-being help.

(A) P-4, Q-3, R-1, S-2
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-1, R-3, S-4

May/June 2007

82. How does 'Artificial Narrow Intelligence' (ANI) fundamentally differ from 'Artificial Strong Intelligence' (ASI)?

(A) ANI simulates intelligence for specific tasks, while ASI is a machine with general human-like intelligence.
(B) ANI possesses self-aware consciousness, while ASI can only perform singular, repetitive tasks.
(C) ANI is purely theoretical with no practical examples, while ASI drives most of the common AI tools.
(D) ANI is exclusively used for deep learning architectures, while ASI is restricted to simple arithmetic.

Oct/Nov 2006

83. Consider the following statements regarding Machine Learning techniques:

I. Supervised learning utilizes labeled data sets.
II. Unsupervised learning utilizes unlabeled data sets.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II
(C) Both I and II

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Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

95. Identify the incorrect statement regarding the remedial measures required for successful AI implementation in HR.
(A) HR does not need to verify input data because AI possesses self-awareness.
(B) AI must be applied and deployed in HR functions with utmost care and caution.
(C) For successful AI outcomes, real-time and reliable data is crucial, and the output-driven goal must be clear.
(D) The implementation of the AI ecosystem requires high talents and techniques to ensure purposefulness.

May/June 2010

96. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:
Assertion (A): In a volatile labor market, organizations require AI to provide market insights to effectively manage compensation.
Reason (R): Key talents and employees with domain expertise seek to be paid for their value, forcing leaders to understand competitor trends and match expectations dynamically.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

97. A company implements predictive AI to forecast employee attrition. However, the HR team feeds the system with outdated compensation figures and incomplete performance records. Consequently, the AI's predictions are entirely inaccurate. What is the fundamental operational prerequisite violated in this scenario?
(A) Obtaining correct, real-time, and reliable data first is crucial for AI.
(B) AI requires the absolute elimination of internal HR managers to function.
(C) The company failed to implement Artificial Strong Intelligence.
(D) Descriptive analytics should have been used to prescribe future outcomes.

May/June 2017

98. An organization deploys a new AI tracking system that analyzes employee keystrokes and emails to determine productivity. However, employees strongly object, claiming their personal data is being exploited without their consent, leading HR executives to abandon the tool. This scenario directly emphasizes which major challenge of AI implementation?
(A) The inability of AI to process unstructured data sets.
(B) Security, privacy concerns, and the necessity of employee consent.
(C) The high computational power required for deep learning.
(D) The lack of machine learning algorithms in the retail sector.

Oct/Nov 2005

99. Consider the following statements regarding the challenges in implementing AI-based solutions in HR:
I. Security and privacy concerns are the most prevalent, which may alienate HR functionaries.
II. Employees expect employers to protect personal data and obtain consent before utilizing AI.
III. Maintenance of AI requires constant evaluations and upgrades, making it a time-consuming procedure.
IV. Adopting dynamic AI changes is immune to cost escalations.
Which of the above statement(s) is/are correct?
(A) I, II, and III only
(B) II, III, and IV only
(C) I, III, and IV only
(D) I, II, III, and IV

May/June 2020

100. Consider the following statements summarizing the operational logic of AI in HR:
I. Based on the algorithms and logics supplied

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human assistance but still require some intervention.

(A) P-4, Q-2, R-1, S-3
(B) P-2, Q-3, R-4, S-1
(C) P-1, Q-4, R-3, S-2
(D) P-3, Q-1, R-2, S-4

Oct/Nov 2023

89. A corporate trainer handles employees from five different time zones, struggling to manage the learning curriculum effectively. The organization integrates an AI system that eases the trainer's workload by autonomously modifying the curriculum based on the learners' roles and locations while capturing data on their engagement and interactions. Which specific HR function is being optimized?

(A) Succession Planning
(B) Learning and Development administration
(C) Talent Management
(D) Compensation Management

May/June 2012

90. What is the core conceptual function of a 'Digital Assistant' in an HR context?

(A) A conversational interface providing intelligent guidance and performing electronic tasks via ML.
(B) A hardware-based robot designed to physically transport documents between administrative offices.
(C) A legacy software program that solely records raw payroll data without any interactive capabilities.
(D) An outsourced human consultant who manually reviews resumes via recorded phone call sessions.

Oct/Nov 2010

91. Consider the following statements regarding the multifaceted advantages of implementing AI-based HR solutions:

I. It helps in hiring the best-suited candidate.
II. It boosts employee engagement and retention.
III. It boosts employee productivity and performance level immensely.
IV. It enables HR to analyse, anticipate, diagnose, and become a more capable resource.
V. It completely alienates business strategy from organizational culture and ethnicity.

Which of the above statement(s) is/are correct?

(A) I, II, III, and IV only
(B) II, III, IV, and V only
(C) I, III, IV, and V only
(D) I, II, III, IV, and V

May/June 2025

92. A bank's recruitment manager utilizes an AI tool during the hiring process. The tool actively assesses an applicant's profile and checks it against the profiles of existing top performers within the bank who have succeeded in similar roles. This capability of AI best illustrates:

(A) Administering continuous testing for workforce collaboration.
(B) Managing payroll and benefits administration autonomously.
(C) Making better hiring decisions by using specific benchmark data.
(D) Modifying learning curriculum based on location.

Oct/Nov 2019

93. Consider the following statements regarding the evaluation of trainers and project leaders by AI:

I. AI evaluates the structure of a leader's characteristics by asking questions of the members of their separate teams.
II. AI provides leaders with insights regarding the talents they lack or the traits they need to adapt following the demands of the workplace.

Which of the statements given above is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2009

94. The following question consists of two statements, one labeled as Assertion (A) and the other as Reason (R). Examine these two statements carefully and select the correct answer:

Assertion (A): Maintaining AI with adopting dynamic changes is fraught with cost escalations.
Reason (R): Artificial Intelligence needs constant evaluations and upgrades, making it a time-consuming maintenance procedure.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of

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ANSWERS

1. (D) Reducing social responsibility
HR analytics serves as a strategic methodology to evaluate how human capital investments drive organizational success. It focuses on key outcomes: generating sustainable revenue, minimizing operational expenses, and mitigating organizational risks. Reducing social responsibility contradicts corporate goals and ethical standards, making it an invalid outcome for analytical insights aimed at long-term value creation and sustainable business growth.

2. (C) Target achievement percentages, profit per employee, and per employee business values.
Organizations utilize specific metrics to gain a precise understanding of employee performance and alignment with corporate vision. Key data points include target achievement percentages, profit per employee, and individual business values. These measures provide quantitative evidence of how each staff member contributes to the overarching goals, facilitating objective assessments of achievement and supporting strategic workforce planning through reliable information.

3. (C) It identifies high performers and provides actionable insights derived from patterns within HR functions.
Implementing analytical tools within human resources is essential for transforming raw data into strategic intelligence. This process enables organizations to identify high performers and uncover patterns across various functions. By providing actionable insights, it supports informed decision-making rather than relying on intuition alone. This approach enhances the overall effectiveness of workforce management and helps drive business strategy forward objectively.

4. (C) Both I and II
Descriptive analytics involves two fundamental processes to interpret historical information. Data aggregation focuses on gathering and organizing various data points into manageable sets for review. Data mining, or data discovery, involves searching these sets to identify significant patterns and trends. Together, these components allow organizations to understand past events and establish a foundation for more advanced analytical techniques and strategies.

5. (D) I, II, and III
HR metrics and analytics are intrinsically linked in creating business value. Metrics provide the raw quantitative data required for analytical processing. Without the context and interpretation offered by analytics, these numbers lack strategic meaning. Furthermore, the accuracy of analytical results depends entirely on the quality of the underlying metrics, as faulty data leads to unreliable and potentially damaging organizational insights.

6. (A) P-3, Q-1, R-2, S-4
Different levels of analytics address specific operational questions to guide business strategy. Descriptive analytics examines historical data to determine past occurrences, while predictive analytics uses models to forecast potential future events. Prescriptive analytics goes further by recommending specific actions to achieve desired outcomes. Broadly, business analytics aims to reveal invaluable insights that facilitate superior and more informed decision-making processes.

7. (B) The application of analytical processes to human capital data to enhance organizational performance and employee retention.
Human resource analytics represents a modern approach to managing workforce data through systematic analytical processes. It involves the rigorous examination of human capital information to improve overall organizational performance and enhance employee retention. Unlike traditional administrative auditing, this method leverages data to gain deep insights into workforce behavior, allowing leaders to make evidence-based decisions that align with long-term business objectives.

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into the system, AI may produce accurate and impartial results.

II. HR must ensure the accuracy of the data input.

III. AI will only do what the user wants it to do.

IV. AI cannot curate decisions independently by itself.

V. AI-based HR solutions must be compatible with the organization's culture and ethnicity.

Which of the above statement(s) is/are correct?

(A) I, II, and III only

(B) II, III, IV, and V only

(C) I, III, IV, and V only

(D) I, II, III, IV, and V

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16. (A) A volatile global business environment requiring rapid adaptation and significant operational cost optimizations.
The shift of HR from a personnel department to a strategic partner is driven by an increasingly volatile global business environment. This complexity requires organizations to adapt rapidly and optimize operational costs to remain competitive. Strategic HR management uses data and analytics to align human capital with these external pressures, ensuring the workforce is agile, efficient, and capable of supporting growth.

17. (A) Descriptive Analytics
Descriptive analytics focuses on summarizing historical data to provide a clear picture of past events. By organizing headcount reports and demographic breakdowns into visual formats like pie charts and line graphs, an analyst helps stakeholders understand the current state of the organization. This reactive approach serves as the foundational step for all analytical work, emphasizing clarity and information organization over forecasting.

18. (A) A symbiotic relationship establishing a holistic process for measuring business value and policy efficacy.
Integrating HR metrics and analytics creates a symbiotic relationship that establishes a holistic process for measuring business value. Metrics provide the necessary data foundation, while analytics offers the interpretative power to evaluate policy efficacy. Together, they enable a comprehensive understanding of organizational performance, allowing leaders to refine human resource strategies and ensure that talent management initiatives contribute directly to success.

19. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
HR metrics act as vital indicators that highlight operational gaps or shortcomings within the workforce. However, they lack the depth to suggest specific remedies on their own. HR analytics bridges this gap by utilizing the data provided by metrics to develop effective solutions. This relationship ensures that remedial measures are grounded in sound evidence, leading to reliable outcomes for the organization.

20. (D) I, II, III, and IV
Analytics provides significant benefits across various HR functions by improving transparency and decision-making. Compensation analysis helps detect inequities, while productivity tracking identifies high performers for rewards. Engagement studies reveal work patterns outside normal hours, and hiring analysis predicts future attrition. Together, these applications allow HR to take expeditious remedial measures and align human capital strategies with overarching organizational needs.

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21. (D) I, II, and III
Predictive analytics utilizes several sophisticated techniques to forecast potential future outcomes. It relies on data mining to discover historical patterns and statistical modeling to find mathematical relationships between variables. Furthermore, machine learning algorithms like classification and regression are applied to analyze data sets. This combination of methods allows organizations to move beyond mere observation toward proactive strategic planning.

22. (B) HR Analytics are qualitative estimates that function independently of hard data or HR Metrics.
HR metrics and analytics are distinct yet interconnected concepts. Metrics are typically associated with operational measures and numbers that organizations track to see what is happening. In contrast, analytics involves the systematic analysis of that data to guide future decisions. It is incorrect to view analytics as qualitative estimates that function independently, as they rely heavily on hard data to be valid.

23. (B) P-4, Q-1, R-2, S-3
The distinction between HR metrics and analytics lies in their focus and scope. Metrics are typically associated with operational measures and numbers to track efficiency. Analytics focuses on developing business measures to predict future outcomes. While the scope of metrics is restricted to revealing what is happening based on hard data, analytics looks beyond the numbers to understand why things occur.

73. (D) I, II, III, and IV
In recruitment and selection, artificial intelligence offers multiple capabilities that improve efficiency. It maintains databases to arrange interviews and gathers data from past employees to prepare targeted questions. Additionally, AI evaluates resumes to screen out inappropriate candidates and learns synonymous terms through machine learning to uncover hidden talent. These tools significantly reduce the time and effort required for high-quality hiring.

74. (C) Non-linear transformation of data into abstract forms with minimal need for human intervention.
Passing massive volumes of data through the hidden layers of a deep learning model results in the non-linear transformation of information into abstract forms. This process allows the system to identify complex patterns in unstructured data with minimal human intervention. Unlike linear models, deep learning can handle highly connected nodes, enabling it to perform advanced tasks like image and speech recognition.

75. (D) By anticipating needs and behavior to allow HR specialists to act proactively.
Artificial intelligence addresses employee retention by anticipating the needs and behaviors of the workforce. By analyzing patterns in engagement and sentiment, AI allows HR specialists to act proactively before an employee decides to leave. This predictive capability helps organizations implement targeted retention strategies, such as personalized development or wellness interventions, ensuring that key talent remains motivated and committed.

76. (D) Sharing risk and liability for people issues with the outsourcing firm.
While HR outsourcing has many potential disadvantages, such as loss of authority or demotivation of staff, it also offers strategic benefits. One such advantage is the ability to share risk and liability for people issues with the external provider. This can protect the organization from certain legal or operational challenges, making it an exception to the general barriers associated with outsourcing.

77. (D) Succession Planning
Succession planning involves identifying and developing potential leaders within an organization to ensure continuity. AI tools support this by analyzing employee sentiment, career paths, and leadership potential to predict flight risks and identify ready successors. By evaluating cultural fit and past accomplishments, these systems help HR proactively manage the leadership pipeline and mitigate the impact of unexpected executive resignations.

78. (A) P-3, Q-1, R-4, S-2
Artificial intelligence is the broad science of making machines think like humans. Machine learning is a subset that enables computers to perform tasks without explicit programming. Deep learning uses biologically-inspired neural networks with hidden layers for complex data. Artificial narrow intelligence is focused on performing single tasks extremely well under constraints. Understanding these subsets is crucial for effectively applying technology in HR.

79. (A) I and II only
In the onboarding process, artificial intelligence allows procedures to be customized to individual workers and their specific roles. AI systems can also track whether necessary documents have been read and capture electronic signatures, eliminating the need for manual follow-up. This automation shortens the time to productivity and ensures that new hires are integrated into the organization more efficiently and accurately.

80. (D) Digital Assistant (Virtual Assistant)
A digital assistant is a conversational interface that uses machine learning to provide intelligent guidance and perform specific electronic tasks. In a professional setting, these virtual tools help employees navigate procedures by understanding their intent and suggesting necessary next steps. This technology streamlines administrative workflows by offering immediate, interactive support without requiring direct human intervention from the human resources department.

81. (A) P-4, Q-3, R-1, S-2
Artificial intelligence offers various capabilities that lead to specific employee outcomes. Gauging stress through voice helps leaders

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significantly maximizes the likelihood of the project delivering successful outcomes.

32. (A) P-4, Q-1, R-2, S-3
Entrepreneurship involves several distinct features that define an innovative mindset. Innovativeness refers to searching for novel things and discovering markets. Risk-taking involves the willingness to deal with uncertainty and manageable failures. Pro-activeness is the execution and fulfillment of necessary activities. Finally, an entrepreneurial mindset is characterized by innovative thinking rather than just following a specific business model or traditional structure.

33. (B) It necessitates massive neural networks and unstructured data processing for basic reporting.
Descriptive analytics is characterized by its reliance on historical data and simple arithmetic to summarize past events. It is inherently reactive and does not attempt to make predictions or inferences beyond surface-level data. However, it does not require massive neural networks or complex unstructured data processing, as those are features of more advanced technologies like deep learning used in complex tasks.

34. (D) I, II, III, and IV
Many broad areas of human resources are suitable for outsourcing to specialized external providers. These include analyzing organizational structure, training and skill development, benefits administration, and medical or health services. By handing these functions to third-party experts, organizations can often achieve cost savings and allow internal teams to focus on developmental roles that require deep knowledge of the company culture.

35. (A) It provides verifiable data to business leaders to back talent hiring, retention, and engagement policies.
The primary advantage of HR analytics is its ability to provide verifiable, evidence-based data to support workforce policies. This allows business leaders to back their decisions regarding hiring, retention, and engagement with statistical proof. While it does not eliminate all costs or replace human intuition, it enhances the decision-making process by providing a clear, data-driven understanding of human capital.

36. (A) The liberation of internal HR resources for developmental and transformational roles.
Outsourcing routine and repetitive HR tasks, such as payroll and applicant tracking, allows organizations to reassign their internal teams to more strategic functions. These internal resources can then focus on developmental roles, industrial relations, and addressing employee concerns. This strategic shift transforms the HR department into a business partner that contributes directly to organizational growth and positive workplace culture.

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37. (A) Prescriptive Analytics
Implementing advanced tools to recommend specific courses of action based on data patterns is known as prescriptive analytics. This method goes beyond predicting future trends by providing guidance on how to optimize results, such as determining ideal staffing levels for peak periods. It allows management to make data-driven decisions that balance operational efficiency with service quality and employee resource management.

38. (D) Recognizing and harnessing opportunities to create value by optimally combining resources.
Entrepreneurship is fundamentally the process of recognizing and harnessing opportunities to create value. This involves the optimal combination of various resources, including human capital, to achieve innovative goals. Unlike routine administrative functions, it requires a mindset focused on growth, creativity, and the proactive pursuit of new ideas. It is an essential driver of economic progress and organizational transformation in competitive markets.

39. (B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
The ultimate objective of an HR entrepreneur is to enhance performance by focusing on outcomes rather than rigid roles. While it is true that successful entrepreneurs invest effort into learning about the unknown and turning problems into opportunities, these are traits that support their success rather than a direct explanation for their focus on outcomes. Both statements correctly describe entrepreneurial characteristics.

it helps organizations take advantage of future opportunities or avert potential risks. This level of insight transforms data into a proactive strategic tool for decision-making and long-term organizational success.

57. (A) These functions must be handled internally by managers familiar with the organizational culture.
Tacit knowledge refers to the relational judgment and expertise that managers possess regarding employee aspirations and orientations. Because this knowledge is deeply rooted in the organizational culture and individual relationships, these functions must typically be handled internally. Outsourcing roles that rely on such nuanced, non-routine understanding carries significant strategic risk and may lead to a loss of organizational capability.

58. (C) Assertion (A) is true, but Reason (R) is false.
HR analysts have a responsibility to explicitly present insights rather than just raw data and analysis. This is because project sponsors and stakeholders often lack the specialized statistical skills needed to independently derive the most pertinent conclusions. By uncovering the meaning behind the numbers, analysts ensure that decision-makers can act on the findings effectively to improve organizational outcomes.

59. (C) HR Entrepreneurship
Treating employees with the same care as customers and taking personal accountability for training and risk management illustrates HR entrepreneurship. This concept involves a behavioral shift toward innovation, responsibility, and the proactive pursuit of opportunities to improve human capital. By seeking to overcome challenges through research and dedication, the HR professional acts as an entrepreneur within the organizational structure.

60. (B) Security and privacy disadvantages
Implementing sophisticated HR analytics systems brings significant concerns regarding security and privacy. Unauthorized access to confidential data, such as compensation information, can lead to severe internal conflict and mistrust. To mitigate these risks, management must implement multiple levels of access and constant monitoring. These disadvantages highlight the critical need for robust data protection protocols when handling sensitive employee information.

61. (C) It is a theoretical form of AI where machines possess intelligence equivalent to humans.
Artificial strong intelligence is a theoretical concept describing machines that possess intelligence equivalent to that of a human. Unlike narrow intelligence, which is currently used in many commercial applications, strong intelligence would involve self-aware consciousness and the ability to solve a wide range of complex problems across different domains. It remains an aspirational goal in the field of artificial intelligence.

62. (A) Helping overcome subjectivity in the interview stage.
Artificial intelligence tools can significantly improve the hiring process by overcoming human subjectivity and unconscious bias. By using data from top performers to generate standardized, targeted interview questions, these systems ensure a strict match between candidate skills and role requirements. This approach leads to more consistent and objective evaluations, helping organizations select the best-suited talent based on evidence.

63. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Business process outsourcing provides flexibility that helps large corporations during economic recessions by reducing fixed costs. By outsourcing non-core activities, companies can avoid the need for mass retrenchment and downsizing of regular staff. This structure allows the organization to scale its operations more efficiently and protect its core human capital during periods of financial volatility.

64. (C) AI-driven systems mitigate bias through continuous testing and collaborative activities.
In the context of career development, artificial intelligence plays a vital role in mitigating bias. AI-driven systems utilize continuous testing and collaborative activities to evaluate employee potential objectively. This allows for the creation of customized career paths based on individual skills and performance data. By removing subjective managerial bias, these technologies

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analysts can then use gathered data to prove or disprove them. This structured approach ensures that the analysis remains objective and addresses the core problems facing the organization.

49. (B) II and III only
An HR entrepreneur is expected to embrace constraints and face challenges resolutely rather than waiting for change. They must possess a holistic understanding of organizational goals and strategies to align HR policies with business needs. Proactive leadership and a willingness to lead from the front are essential qualities that distinguish them from traditional roles that might prefer following mandated instructions.

50. (C) Decreasing the overall acquisition and system maintenance costs for the HR department.
Implementing human resource analytics offers several strategic advantages, such as improving decision-making through workforce insights and identifying high-attrition areas. However, these systems generally require significant investment. Consequently, a decrease in overall acquisition and maintenance costs is not a typical outcome, as sophisticated analytical tools and specialized expertise usually involve substantial and ongoing financial commitments for the organization.

51. (D) Productive use of their long experience in strategic functions per Government/IBA guidelines.
In the Indian banking industry, the contractual employment of retired officers is typically used to leverage their extensive experience. Following established guidelines, these individuals are brought back for strategic functions where their expertise provides significant value. This practice allows banks to benefit from seasoned professional knowledge while maintaining compliance with regulatory frameworks and ensuring that critical operational roles are managed effectively.

52. (B) III, I, IV, II
The final stages of implementing an HR analytics strategy follow a logical progression toward action and review. The process starts with revealing insights from the data, followed by providing specific recommendations. These ideas are then communicated by putting the point across to stakeholders. Finally, implementation and evaluation occur to execute decisions and measure the project's returned value to the organization.

53. (C) Putting Your Point Across — Developing the initial business questionnaire to define project scope.
Each step in the HR analytics model has a specific core activity. Gathering data involves identifying relevant information, while conducting analysis uses statistics to provide insights. Implementation and evaluation focus on formulating actions and measuring value. Developing the initial business questionnaire is the first step of the model, whereas putting your point across involves using storytelling to inform decision-making.

54. (C) A practice where a third-party is hired to handle specific HR activities via contractual agreement.
Human resource outsourcing is defined as the practice of hiring a third-party specialist to manage specific HR activities through a contractual agreement. This model allows organizations to delegate administrative or non-core functions to external experts. By doing so, companies can achieve operational efficiencies and cost savings while focusing their internal human resources on more strategic and developmental goals.

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55. (A) The execution and fulfillment of the entrepreneurial concept through necessary activities.
Pro-activeness in entrepreneurship specifically focuses on the execution and fulfillment of innovative concepts. It involves taking the necessary activities and actions to move an idea forward rather than waiting for instructions or market shifts. This proactive stance ensures that the entrepreneur actively shapes the business environment and pursues value creation through the practical implementation of their creative visions.

56. (A) Prescriptive Analytics — Provides recommendations on the best course of action by taking advantage of opportunities or averting risks.
Different types of HR analytics offer unique advantages. Prescriptive analytics is particularly valuable because it provides specific recommendations on the best course of action. By analyzing history and predictions,

40. (D) I, II, III, IV, and V
Implementing an HR analytics strategy involves several critical steps to ensure success. These include conducting rigorous analysis, revealing insights to prevent biased conclusions, and providing well-articulated recommendations for change. Effective communication through storytelling helps put the point across, while implementation and evaluation ensure that the actions taken return value. Each step is vital for translating data into meaningful organizational improvement.

41. (D) I, II, III, IV, and V
Several barriers can hinder the success of HR outsourcing initiatives. These include questionable cost-benefit justifications, inadequate readiness of systems, and internal resistance from staff or unions. Additionally, the inability to manage relationships with external partners and the potential for cost escalations by project completion pose significant challenges. Organizations must carefully address these factors to ensure that outsourcing delivers the intended benefits.

42. (A) II, IV, III, I
The initial stages of an HR analytics model must follow a logical sequence to be effective. The process begins with framing a questionnaire on business needs, followed by building a hypothesis to test assumptions. Next, data is gathered to provide evidence, and finally, the analysis is conducted. This chronological order ensures that the project remains focused and the results are statistically valid.

43. (B) Only II
An HR entrepreneur is characterized by an innovative ability to evolve creative human resource policies. They possess a propensity to take risks and embrace greater challenges to drive organizational growth. Unlike traditional roles that focus strictly on routine people management, the HR entrepreneur looks for ways to turn problems into opportunities, utilizing a holistic business perspective to enhance overall performance and success.

44. (C) I, III, and IV
While beneficial, HR analytics presents several disadvantages that organizations must manage. These include concerns over the security and privacy of sensitive data and the high costs associated with acquiring and maintaining sophisticated systems. Furthermore, operating these tools requires specialized expertise, which leads to additional training expenses. It does not simplify system architecture but rather adds layers of complexity and access control.

45. (A) P-3, Q-1, R-2, S-4
Different HR functions have varying suitability for outsourcing depending on their complexity and core nature. Routine and repetitive activities are often handed to specialists for cost savings, while developmental roles are retained internally to build capabilities. Non-core functions may be outsourced for expert input. Conversely, in sectors like public banking, employee outsourcing is seldom followed due to high moral requirements.

46. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Prescriptive analytics is the most complex stage of the business analytics process, requiring specialized knowledge to perform. Because it moves beyond simple description or prediction to recommend specific actions, it is rarely used in day-to-day operations. The high level of expertise and resource intensity needed to generate these recommendations means organizations typically reserve it for high-stakes strategic decision-making.

47. (D) To centralize all business operations within a non-specialized internal administrative unit.
The objectives of HR outsourcing include achieving cost savings and ensuring compliance with legal requirements. It also aims to liberate internal resources so they can focus on strategic developmental roles. Centralizing operations within a non-specialized internal unit is not an objective of outsourcing, as the goal is to leverage external specialized expertise to improve efficiency and organizational performance.

48. (B) Building Hypothesis
Within the 8-step HR analytics model, building a hypothesis is the crucial step for testing beliefs about business issues. This process involves formulating and listing out assumptions in advance. By explicitly stating these beliefs,

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ensure that development opportunities are distributed more fairly across the workforce.

65. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Deep learning systems require significant hardware resources because they employ complex neural networks with many hidden layers. These networks are built to pass massive volumes of unstructured data between nodes in highly connected ways, mimicking human brain functions. This complexity allows for advanced analysis of images and videos but necessitates much more powerful computational capacity than traditional machine learning.

66. (A) They will resort to job hops at least four times by the time they are aged 32 years.
Modern career trends among Gen Y and Gen C employees show a high frequency of job changes early in their careers. Statistics suggest many will change employers at least four times by the age of thirty-two. This behavioral pattern forces organizations to rethink their retention strategies and career development programs, utilizing technology to keep these workers engaged and provide continuous learning.

67. (A) I and II only
HR outsourcing can lead to several disadvantages, such as talented employees feeling threatened and potentially quitting their jobs. Additionally, communication issues may arise due to differences in time zones or languages between the organization and its outsourcing partners. It does not guarantee the absolute protection of data security; in fact, sharing sensitive information with third parties often increases confidentiality concerns.

68. (B) Machine learning typically needs less ongoing human intervention than deep learning.
Machine learning and deep learning differ in their operational needs and capabilities. While machine learning can be set up quickly, it often requires more ongoing human intervention to label data and refine algorithms. Deep learning takes longer to establish but can eventually generate results with less assistance. Furthermore, deep learning is superior at analyzing unstructured data like images and video compared to traditional algorithms.

69. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Artificial intelligence significantly enhances employee productivity through personalized learning experiences. By gathering data on individual learning habits, skill interests, and work styles, AI can recommend the most appropriate courses for each worker. This targeted approach ensures that employees receive the specific training they need to improve their competencies, leading to higher performance levels across the organization.

70. (C) Artificial Narrow Intelligence
Artificial narrow intelligence refers to systems designed to perform specific, well-defined tasks with high proficiency. Examples include voice-activated software that executes commands like dictating messages or searching for information. Unlike general intelligence, these systems operate under strict constraints and do not possess human-like consciousness. They are the most common form of artificial intelligence currently utilized in everyday digital applications.

71. (A) Chatbot
A chatbot is a specialized artificial intelligence interface designed to simulate person-to-person conversation using natural language. In an HR context, these tools provide immediate responses to candidate queries about benefits or policies at any time of day. By handling routine questions automatically, chatbots improve the candidate experience and allow the recruitment team to focus on more complex tasks.

72. (B) Building smart machines capable of performing tasks that require human intelligence.
Artificial intelligence is defined as the science of building smart machines capable of performing tasks that typically require human intelligence. This includes functions such as problem-solving, understanding language, and recognizing patterns. AI aims to mimic cognitive abilities to improve efficiency and decision-making in various fields, including human resources, by automating complex processes and providing deeper insights from data.

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24. (D) The collection and organization of historical data to present it in an easily understood format.
Descriptive analytics is fundamentally defined as the process of collecting and organizing historical data to present it in an easily understood format. This stage of analysis looks at past performance to provide insights into what has already occurred within the organization. It serves as a necessary foundation for more complex analytical types by providing a clear summary of existing workforce information.

25. (B) Hiring & Retention of Key Talents
Tracking metrics such as years of service, reasons for absenteeism, and the effectiveness of recruitment channels falls under the category of hiring and retention. This analytical focus helps organizations identify which talent sources are most productive and why employees might leave. By minimizing turnover and optimizing recruitment, the company can maintain a stable and highly capable workforce to meet goals.

26. (D) It applies to diverse groups, including employees, customers, and suppliers, to drive business excellence.
People analytics is a comprehensive approach that extends beyond the traditional internal workforce. It applies analytical processes to diverse groups, including employees, customers, and suppliers. By examining the interactions and data of all these stakeholders, organizations can drive overall business excellence. This broad scope allows for a deeper understanding of how human factors across the entire ecosystem impact organizational performance.

27. (A) It uses statistical models and forecasts to answer the question of what could happen in the future based on historical data patterns.
Predictive analytics is defined by its ability to answer questions about the future. It utilizes statistical models and forecasts to identify what could happen based on historical data patterns. This methodology allows organizations to anticipate trends and behaviors, providing a proactive basis for decision-making. Unlike descriptive analytics, it focuses on potential outcomes rather than merely summarizing what has already occurred.

28. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
HR analytics is considered highly credible for formulating strategies because it provides statistically valid data and evidence. This evidence-based approach is crucial during the implementation of human resource measures. By using rigorous analysis to back strategic decisions, organizations can ensure their policies are grounded in reality rather than intuition, leading to more effective management of the workforce and assets.

29. (C) Identifying best recruiting channels to reduce the time-to-hire for key talents.
Analyzing employee benefits involves aligning benefit metrics with organizational objectives and understanding which schemes improve morale. While this includes creating popularity matrices of benefit schemes, identifying recruitment channels is a separate function related specifically to hiring and retention. Benefits analysis focuses on optimizing existing welfare programs and their impact on the current workforce rather than the talent acquisition process.

30. (D) Compensation & Remuneration — Profit per employee, Return on Investment on Human Capital.
Compensation and remuneration analysis typically focuses on internal pay structures, market competitiveness, and transparent decision-making. Metrics like profit per employee and return on investment on human capital are generally associated with broader productivity and goal management rather than specific pay calculations. Correct alignment between metrics and analytical areas is essential for generating accurate and relevant insights for organizational leaders.

31. (C) To avoid incorrect analysis and maximize the likelihood of project success.
Articulating a clear business reason before gathering data is a critical first step in HR analytics. This practice ensures that the analysis is purposeful and aligned with organizational goals. By defining the problem or objective upfront, analysts can avoid incorrect interpretations and select the most appropriate data sets. This focus

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provide well-being support, while chatbots offer immediate responses to queries. AI-driven learning recommendations shorten the time to productivity during onboarding. Additionally, anticipating candidate behavior improves recruiting efficacy. These targeted applications ensure that technology directly enhances the workplace experience and organizational efficiency.

82. (A) ANI simulates intelligence for specific tasks, while ASI is a machine with general human-like intelligence.
Artificial narrow intelligence is designed to simulate intelligence for specific, restricted tasks, whereas artificial strong intelligence refers to a machine with general human-like intelligence and self-awareness. Most current AI applications fall into the narrow category, performing specialized functions like voice recognition. Strong AI remains a theoretical concept, representing the future possibility of machines that can think across any domain like humans.

83. (C) Both I and II
Machine learning utilizes two primary techniques to process information. Supervised learning involves training algorithms using labeled data sets, where the correct output is known. Unsupervised learning analyzes unlabeled data sets to find hidden patterns or structures without prior guidance. Both methods are essential for various HR applications, from predicting employee turnover to uncovering talent trends within large, complex workforce databases.

84. (A) I, II, III, and IV
Artificial intelligence enhances talent management by providing strategic views on role banding and increasing recruiting efficacy through offer probability calculations. It also personalizes career development and equips employees with suggestions for their daily duties. Rather than forcing a one-size-fits-all approach, AI enables a more individualized environment that considers personal goals and well-being, moving away from traditional, rigid organizational structures.

85. (A) P-2, Q-4, R-3, S-1
Artificial intelligence applications are integrated across various HR functions to improve efficiency. It screens resumes in recruitment, captures electronic signatures in onboarding, and modifies curricula in learning and development. In compensation management, AI analyzes salary data points to assist in role banding. These specialized applications ensure that each department benefits from data-driven insights and automated workflows, enhancing overall productivity.

86. (B) Trade Union resistance based on fears of unemployment and reduced promotional opportunities.
In public sector organizations, outsourcing core employee positions often meets resistance from trade unions. This backlash is typically based on fears of unemployment and a perceived reduction in promotional opportunities for regular staff. Concerns over job security and the potential erosion of employee welfare through external contracting are major drivers of such resistance, highlighting the social and political challenges of outsourcing.

87. (B) Guaranteeing the absolute prevention of employee retirement upon reaching superannuation.
AI supports succession planning by identifying flight risks and uncovering capable successors through the analysis of behavior and cultural fit. However, it cannot prevent employee retirement upon reaching superannuation, as this is a legal and biological certainty. AI's role is to help management predict and prepare for these transitions by ensuring a robust leadership pipeline is in place.

88. (A) P-4, Q-2, R-1, S-3
Machine learning and deep learning have distinct characteristics. Machine learning often uses structured data and traditional algorithms like linear regression, requiring some human assistance. In contrast, deep learning requires much more powerful hardware to run its biologically-inspired neural networks. These advanced systems enable autonomous programs like robots or self-driving cars, representing the high end of current artificial intelligence capabilities and applications.

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89. (B) Learning and Development administration
Artificial intelligence optimizes learning and development by autonomously modifying curricula based on individual roles and locations. This reduces the workload for trainers and ensures that employees receive relevant instruction. By capturing engagement data, these systems allow for a more effective management of educational programs across different time zones, leading to better skill development and higher competency levels throughout the organization.

90. (A) A conversational interface providing intelligent guidance and performing electronic tasks via ML.
A digital assistant serves as a conversational interface that provides intelligent guidance and performs various electronic tasks using machine learning. It interacts with users to understand their intent and offers immediate support for administrative procedures. By automating these interactions, it provides a more efficient and responsive way for employees to engage with HR systems, improving the overall workplace experience through technology.

91. (A) I, II, III, and IV only
Implementing AI-based HR solutions offers numerous advantages, such as improved hiring, increased engagement, and boosted productivity. It also enables human resources to become a more capable and diagnostic resource for the organization. These technologies should be compatible with the organization's culture rather than alienating strategy from it, ensuring that data-driven insights support the firm's core values and ethnic diversity.

92. (C) Making better hiring decisions by using specific benchmark data.
Using artificial intelligence to assess applicant profiles against the data of top performers allows hiring managers to make better, evidence-based decisions. This process utilizes benchmark data to identify candidates who are most likely to succeed in a specific role. By aligning new hires with the characteristics of existing high achievers, organizations can improve the quality of hire and enhance long-term productivity.

93. (C) Both I and II
Artificial intelligence evaluates leadership characteristics by gathering feedback from team members to provide a comprehensive structure of a leader's traits. It also offers insights into missing talents or necessary adaptations required by the current workplace demands. This objective evaluation helps project leaders and trainers understand their strengths and weaknesses, facilitating personalized professional development and more effective team management.

94. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Maintaining artificial intelligence systems involves constant evaluations and upgrades to adapt to dynamic changes, which often leads to cost escalations. Because these technologies require continuous maintenance and sophisticated expertise to remain effective, the financial commitment is ongoing. Organizations must be prepared for the time-consuming and expensive nature of keeping their AI ecosystems functional and aligned with evolving business needs.

95. (A) HR does not need to verify input data because AI possesses self-awareness.
Successful AI implementation in human resources requires real-time, reliable data and a clear, output-driven goal. Because AI does not possess self-awareness, human resources must verify the accuracy of all input data to ensure valid results. The deployment of these ecosystems requires high talent and technique to be purposeful. Careful oversight is necessary to prevent biased or inaccurate outcomes derived from faulty information.

96. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In a volatile labor market, organizations need AI to provide insights into competitor trends to manage compensation effectively. Key talents expect to be paid according to their value, forcing leaders to understand and match market expectations dynamically. AI allows for the analysis of vast salary data points, ensuring that the organization's remuneration strategies

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remain competitive and capable of retaining top expertise.

97. (A) Obtaining correct, real-time, and reliable data first is crucial for AI.
The accuracy of artificial intelligence predictions depends entirely on the quality of the data supplied to the system. Using outdated or incomplete information leads to inaccurate results, as seen when attrition forecasts fail due to faulty performance records. Obtaining correct, real-time, and reliable data is a fundamental prerequisite for any AI project, ensuring that the resulting insights are valid and actionable.

98. (B) Security, privacy concerns, and the necessity of employee consent.
Implementing AI systems for tracking productivity often raises significant security and privacy concerns among staff. Employees expect their personal data to be protected and for their consent to be obtained before such tools are deployed. When these concerns are ignored, it can lead to strong internal objections and the abandonment of the technology, highlighting the critical importance of ethical data management.

99. (A) I, II, and III only
Several challenges exist in implementing AI solutions, including prevalent security and privacy concerns that may alienate staff. Employees generally expect their personal data to be protected through informed consent. Additionally, the maintenance of AI requires constant evaluations and upgrades, making it a time-consuming and often expensive procedure. Adopting these technologies is not immune to cost escalations but rather frequently involves them.

100. (D) I, II, III, IV, and V
The operational logic of artificial intelligence in human resources relies on high-quality data and specific algorithms to produce impartial results. While these systems can curate decisions, they must be guided by accurate input. Ensuring these solutions align with organizational culture and ethnicity is vital, as the technology ultimately functions as a tool to support strategic human decision-making processes based on logic and data.

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Oct/Nov 2010

23. Read the following scenario and answer the question that follows:
A reputed cosmetic brand engages multiple high-profile influencers to promote its new line of products on social media. It is later revealed by regulatory authorities that the influencers did not disclose they were paid for the endorsements, leading to widespread public backlash against the brand for dishonesty.
Which category of crisis does this scenario best represent?
(A) Embezzlement
(B) Staff issues
(C) Failure of Technology
(D) Issues of Disclosures

May/June 2010

24. Match the Four Levels of Uncertainty in List I with their corresponding Examples in List II.
List I: (Four Levels of Uncertainty)
P. Level 1
Q. Level 2
R. Level 3
S. Level 4
List II: (Examples)
1. Entering the Russian market in 1992 or the consumer multi-media market
2. Strategy against low-cost airline entrant
3. Long-distance telephone carriers' strategy to enter deregulated local-service market
4. Entering emerging markets, such as India
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-4, R-1, S-3
(C) P-3, Q-1, R-4, S-2
(D) P-2, Q-3, R-4, S-1

Oct/Nov 2007

25. Effective crisis management requires four basic elements to prevent critical errors in the initial response. Which of the following represents these four elements?
(A) Financial auditing, legal counsel, external media relations, and business expansion planning
(B) Clear team roles, a formal assessment team, effective Incident Action Planning (IAP) skills, and robust internal communication
(C) Succession planning, inventory liquidation, rapid recruitment, and mandatory overtime
(D) Predictive algorithm mapping, automated decision making, robotic process automation, and artificial intelligence

May/June 2023

26. Which of the following statements regarding the features of a "crisis" is incorrect?
(A) A crisis is a progressive process that may not be restricted to one area within a common border.
(B) A crisis triggers a feeling of fear and threat amongst the individuals.
(C) A crisis creates a sense of loss of control on the total or partial system.
(D) A crisis always requires to be triggered by a previously identified and structured problem.

Oct/Nov 2019

27. Consider the following statements regarding Level 2 Uncertainty (Alternate Futures):
I. The future can be described as one of a few alternate outcomes, or discrete scenarios.
II. The best strategy depends on which outcome occurs, and alternative valuations cannot be handled by performing sensitivity analyses around a single baseline model.
III. It is impossible to evaluate the risks and returns inherent in alternative strategies using a decision-analysis framework.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

May/June 2006

28. Read the following scenario and answer the question that follows:
An automobile manufacturer receives sudden reports that the braking system in its latest model fails under specific weather conditions. The media heavily amplifies the issue, leading to an immediate drop in consumer confidence and a nationwide product recall.
Which specific source of crisis is the manufacturer primarily facing?
(A) Safety scare
(B) Supply chain mechanism failure
(C) Cyber-attack
(D) Organisational mis-deeds

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Answer the question by selecting the appropriate option.
Assertion (A): A crisis is precisely the same as a disaster in terms of organizational impact.
Reason (R): A disaster is defined in terms of the outcome or consequences for society, essentially representing a "crisis with a bad ending."
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2019

6. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): At Level 4 (True Ambiguity), it is critical for managers to throw up their hands and act solely on gut instinct.
Reason (R): Level 4 situations feature multiple dimensions of uncertainty interacting to create an environment that is virtually impossible to predict.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2005

7. Which of the following best defines a "crisis" in the context of an organization?
(A) An assessable risk that presents itself in a fairly predictable way during standard business operations and departmental workflows
(B) An abnormal, unstable, and complex emergency situation that represents a threat to strategic objectives, reputation, or existence
(C) A structured incident produced by identifiable risks that generally lends itself to pre-prepared responses and routine protocols
(D) A long-term decline in the financial performance of an organization due to changing market demographics and shifting consumer interests

May/June 2013

8. Which of the following correctly defines "Crisis Management" in broader organizational terms?
(A) The daily supervision of standard operating procedures to maintain routine employee discipline and administrative efficiency.
(B) Pre-established activities and guidelines for preparing and responding to significant catastrophic events in a safe manner.
(C) The implementation of pre-prepared solutions and technical protocols exclusively meant for minor organizational glitches.
(D) A definitive step-by-step manual that dictates exact operational moves for all future unpredictable events and scenarios.

Oct/Nov 2018

9. Match the Four Levels of Uncertainty in List I with their corresponding Analytic Tools in List II.
List I: (Four Levels of Uncertainty)
P. Level 1: A Clear-Enough Future
Q. Level 2: Alternate Futures
R. Level 3: A Range of Futures
S. Level 4: True Ambiguity
List II: (Analytic Tools)
1. Decision analysis, Option valuation models, Game theory
2. "Traditional" strategy tool kit
3. Analogies and pattern recognition, Nonlinear dynamic models
4. Latent-demand research, Technology forecasting, Scenario planning
(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-1, R-4, S-3
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

May/June 2022

10. Consider the following statements regarding the sources of crisis:
I. A high-profile product recall due to defective products represents a major brand risk known as a safety scare.
II. Failure to pay creditors and declaring bankruptcy is an outcome primarily associated with natural disasters.

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evolution over a period of time.

(D) Managers can identify patterns indicating possible ways the market may evolve by studying various analogous markets.

May/June 2017

34. Which of the following statements is correct regarding the choice between VUCA and BANI as a vision for organizations to deal with crises?

(A) BANI has completely nullified the concept of VUCA, making VUCA strategies legally obsolete in all modern forms of corporate governance.

(B) Organizations must strictly utilize the BANI framework for natural disasters and the VUCA framework for managing financial crimes.

(C) Both concepts suggest that rigorous, unchanging long-term planning is the only way to manage modern acceleration and variability.

(D) Selecting VUCA or BANI based on an assessment of circumstances and which narrative best connects with an organizational vision.

Oct/Nov 2006

35. Which of the following is NOT listed as a negative effect of the enormity of a VUCA environment on an organization?

(A) It eliminates the need for constant training and knowledge acquisition.

(B) It can destabilize people and make them anxious about the future.

(C) It undermines employee motivation and frustrates career movements.

(D) It involves occasional chances of making inappropriate decisions.

May/June 2009

36. Match the components of the BANI acronym in List I with their corresponding descriptions in List II.

List I: (Components of BANI)

P. Brittle

Q. Anxious

R. Non-linear

S. Incomprehensible

List II: (Descriptions)

1. Disconnection and disproportion between cause and effect; huge delays in consequences.
2. Susceptible to catastrophe at any time; systems that work well on the surface but are on the verge of breaking down.
3. Lack of logic or purpose; occurs as a consequence of excess information and counterintuitive nature.
4. Living on the edge creating a sense of urgency; dealing with fake news and a feeling of helplessness.

(A) P-2, Q-4, R-1, S-3

(B) P-1, Q-2, R-3, S-4

(C) P-4, Q-3, R-2, S-1

(D) P-3, Q-1, R-4, S-2

Oct/Nov 2023

37. Read the following scenario and answer the question that follows:

A European consumer-goods company decides to introduce its products to the Indian market. Market research identifies only a broad continuum of potential customer-penetration rates ranging from 10% to 30%, with no obvious discrete scenarios within that range.

This situation is characteristic of:

(A) Level 3 Uncertainty

(B) Level 1 Uncertainty

(C) Level 2 Uncertainty

(D) Level 4 Uncertainty

May/June 2008

38. Consider the following statements regarding strategies to address "Uncertainty":

I. Organizations need to pause to listen and look around to develop new ways of thinking.

II. Leaders should steer their organizations to rely solely on existing information sources without gathering new data.

III. Mentoring programs should focus on new approaches and prospects to attract creative talents.

Which of the above statement(s) is/are correct?

(A) Only I and II

(B) Only I and III

(C) Only II and III

(D) I, II, and III

Oct/Nov 2020

39. Read the following scenario and answer the question that follows:

A national security agency is dealing with potential threats where the general causes are understood,

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and unique
(B) High impact, high probability, anticipated, and recurring
(C) Low impact, low probability, unexpected, and unique
(D) High impact, high probability, unexpected, and structured

Oct/Nov 2021

17. Identify the incorrect pair regarding the strategy to manage different levels of uncertainty.
(A) Developing a list of scenarios and related probabilities to calculate the exact expected value of all different strategies.
(B) Level 1 Strategy - Using a discounted-cash-flow model incorporating predictions to determine the value of alternative strategies.
(C) Level 2 Strategy - Developing a set of discrete scenarios and establishing an appropriate valuation model for each possible outcome.
(D) Level 4 Strategy - Identifying patterns indicating possible ways the market may evolve by studying how analogous markets developed.

May/June 2020

18. Consider the following statements regarding the typology of crises:
I. Smoldering crises are those for which the impact on the organization and its stakeholders grows, sometimes undetected, over a period of time.
II. Sudden crises are characterized by their immediate onset and tend to be unanticipated, escalating very quickly.
Which of the above statement(s) is/are correct?
(A) Only I is correct
(B) Only II is correct
(C) Both I and II are correct
(D) Neither I nor II is correct

Oct/Nov 2008

19. In the context of strategic decision-making, how is "residual uncertainty" defined?
(A) The uncertainty that is completely eliminated through standard market demographics research and focus group studies.
(B) The unpredictable fluctuation of commodity pricing during a financial quarter that impacts local production costs.
(C) The lack of clarity regarding an organization's internal social network structure and departmental communication silos.
(D) The uncertainty that remains after the best possible analysis has been done to identify clear trends and knowable factors.

May/June 2014

20. What is the most appropriate reason why pre-prepared solutions are unlikely to work in a column and ill-structured crisis?
(A) Crises evolve unpredictably, necessitating creative strategies rather than reliance on standard pre-planned contingencies.
(B) Pre-prepared solutions are solely designed for natural disasters and cannot be applied to industrial or technological crises.
(C) Pre-prepared solutions often require significant regulatory approval before they can be legally implemented during a crisis.
(D) Organizations generally lack the financial resources to execute pre-prepared solutions during the onset of severe crises.

Oct/Nov 2017

21. Read the following scenario and answer the question that follows:
A major domestic airline observes a new low-cost, no-frills competitor entering one of its hub airports. The airline executives deploy market research, value chain analysis, and competitor capacity analysis to determine if they should cede a niche segment or compete aggressively on price.
This scenario best illustrates strategic decision-making under which level of uncertainty?
(A) Level 2: Alternate Futures
(B) Level 3: A Range of Futures
(C) Level 1: A Clear-Enough Future
(D) Level 4: True Ambiguity

NODIA

May/June 2025

22. Identify the correct pair regarding the typology of crises based on their onset characteristics.
(A) Sudden Crisis - Impact on the organization grows undetected over a period of time
(B) Sudden Crisis - Tends to be unanticipated and escalates very quickly
(C) Smoldering Crisis - Characterized by an immediate onset and rapid escalation
(D) Smoldering Crisis - Triggered by a severe event completely outside the organization's control

CHAPTER 24

Leadership in VUCA & BANI Scenarios: Crisis Management Approaches

Oct/Nov 2011

1. Match the Common Causes/Sources of Crisis in List I with their corresponding examples in List II.

List I: (Common Causes/Sources of Crisis)

P. Natural disasters
Q. Cyber-attacks
R. Organisational mis-deeds
S. Embezzlement or Financial crimes

List II: (Examples)

1. Data or information tampering and accepting bribes
2. Distributed denial of service (DDoS) attacks
3. Defying regulation or acting in a clearly unethical way
4. Earthquakes, tsunamis, or violent protests

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-1, R-3, S-2
(C) P-3, Q-2, R-4, S-1
(D) P-4, Q-2, R-3, S-1

May/June 2024

2. During a crisis, there are specific points the management must keep in mind. Which of the following is NOT advised practice during a crisis?

(A) Being patient and avoiding panic while evaluating the immediate impact on the organization's core internal infrastructure.
(B) Staying in regular touch with employees, external clients, and stakeholders to ensure transparent information sharing.
(C) Being extremely rigid in adhering to outdated plans to maintain strict discipline and organizational hierarchy.
(D) Adapting well to changes and new situations that emerge as the crisis situation develops through various stages.

Oct/Nov 2015

3. What is the primary conceptual distinction between "incidents" and "crises" regarding their management?

(A) Incidents escalate beyond the limits of contingency plans, whereas crises are contained within standard task demands and operational scopes.
(B) Incidents require urgent strategic decisions, whereas crises only require routine operational adjustments and standard supervisory oversight.
(C) Incidents have structured and predictable responses, whereas crises evolve unpredictably requiring genuinely creative solutions.
(D) Incidents are always associated with physical danger, whereas crises only pose a threat to an organization's internal financial systems.

May/June 2007

4. Consider the following statements regarding Level 1 Uncertainty (A Clear-Enough Future):

I. The forecast will be sufficiently narrow to point to a single strategic direction, making residual uncertainty irrelevant to making strategic decisions.
II. Managers can generate a usefully precise prediction using standard strategy tool kits like market research and Porter's five-forces framework.

Which of the above statement(s) is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

Oct/Nov 2022

5. The following question consists of two statements—Assertion (A) and Reason (R).

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Oct/Nov 2016

29. Match the Four Levels of Uncertainty in List I with "What Can Be Known" in List II.

List I: (Four Levels of Uncertainty)

P. Level 1: A Clear-Enough Future
Q. Level 2: Alternate Futures
R. Level 3: A Range of Futures
S. Level 4: True Ambiguity

List II: (What Can Be Known)

1. A range of possible outcomes, but no natural scenarios
2. A few discrete outcomes that define the future
3. A single forecast precise enough for determining strategy
4. No basis to forecast the future

(A) P-2, Q-3, R-1, S-4
(B) P-3, Q-1, R-2, S-4
(C) P-3, Q-2, R-1, S-4
(D) P-1, Q-4, R-2, S-3

May/June 2015

30. Consider the following statements regarding common causes and sources of crisis:

I. Technological failure includes problems in the internet, software corruption, and password errors.
II. Embezzlement involves illegal behaviors such as accepting bribes and data tampering.
III. Failure in the supply chain can initially be spun as evidence of booming demand but ultimately indicates poor planning.
IV. Issues of disclosures are particularly prominent in the realm of influencer marketing.
V. Natural disasters exclusively refer to technological breakdowns caused by severe weather.

Which of the above statement(s) is/are correct?

(A) Only I, II, III, and V
(B) Only I, II, III, and IV
(C) Only II, III, IV, and V
(D) All statements I, II, III, IV, and V

Oct/Nov 2013

31. Match the letters of the VUCA acronym in List I with their specific characteristics in List II.

List I: (VUCA Acronym)

P. Volatility
Q. Uncertainty
R. Complexity
S. Ambiguity

List II: (Characteristics)

1. Relates to the lack of clarity about how to interpret something; casual relationships are completely unclear.
2. Refers to the speed of change in an industry; associated with fluctuations in demand or turmoil.
3. Associated with people's inability to understand; environments that do not allow for any predictions to be made.
4. Refers to the number of interconnected factors we need to consider to make more efficient decisions.

(A) P-2, Q-1, R-4, S-3
(B) P-3, Q-2, R-1, S-4
(C) P-2, Q-3, R-4, S-1
(D) P-4, Q-3, R-2, S-1

May/June 2012

32. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): To counter complex environments, leaders need to encourage 'out-of-box' thinking among their people.

Reason (R): Experiences reveal that such thinking capabilities are co-terminus with viable solutions and generate innovative strategies necessary to address organizational complexities.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2025

33. Which of the following statements regarding the strategy to manage Level 4 Uncertainty is incorrect?

(A) Managers need to catalog systematically what they know and what is possible to know about the current environment.
(B) Relying exclusively on expected value calculations of different strategies based on a complete list of defined probabilities.
(C) Managers can identify favorable and unfavorable indicators to track the market's

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III. Strikes and layoffs create the impression of an ailing company and lead to a crisis originating from staff issues.

Which combination of the above statement(s) is/are correct?

(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) I, II, and III

Oct/Nov 2009

11. Read the following scenario and answer the question that follows:

A chemical manufacturing firm is deciding whether to build a new plant. The decision is entirely contingent on whether pending government deregulation occurs and whether a primary competitor decides to build a new facility or not. The possible outcomes are discrete and clear, but which one will occur is unknown.

This scenario is a classic example of:

(A) Level 1 Uncertainty
(B) Level 3 Uncertainty
(C) Level 4 Uncertainty
(D) Level 2 Uncertainty

May/June 2021

12. All of the following are common characteristics of a crisis EXCEPT:

(A) It arises on a short notice and calls for urgent, timely decisions regarding the immediate continuity of organizational operations.
(B) It involves a short decision time and an element of surprise that forces management to react without prior strategic warning.
(C) It exclusively affects the financial health of the firm without impacting group behavior or internal social dynamics.
(D) It is a process of transformation where the old system can no longer be maintained due to the severity of external shocks.

Oct/Nov 2024

13. Which of the following statements correctly identifies the ultimate goal of crisis management?

(A) Moving the business back toward normal operations as efficiently as possible with minimum damage to the enterprise.
(B) Completely eliminating all forms of potential risk and future uncertainty from the global business environment.
(C) Strictly adhering to a complicated operational manual regardless of the abnormal and unstable situational shifts.
(D) Ensuring that external stakeholders and investors take full responsibility for the total financial losses incurred.

May/June 2016

14. Consider the following statements regarding the features of a crisis:

I. Crisis affects an individual, group, organization or society on the whole.
II. Crisis creates a sense of loss of control on the total or partial system.
III. Three elements common to a crisis are a threat, a surprise, and a short decision time.
IV. Every crisis is strictly restricted to one area within a common border.

Which of the above statement(s) is/are correct?

(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) All statements I, II, III, and IV

Oct/Nov 2012

15. Consider the following statements regarding Level 3 Uncertainty (A Range of Futures):

I. The range of potential futures is defined by a limited number of key variables, and the outcome may lie anywhere along a continuum.
II. There are clear, natural discrete scenarios that make developing alternative strategies straightforward.
III. Establishing the range of scenarios allows managers to determine how robust their strategy is and roughly the risk of following status quo strategies.
IV. The analysis focuses on trigger events signaling that the market is moving toward one or another scenario.

Which of the above statement(s) is/are correct?

(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) All statements I, II, III, and IV

May/June 2005

16. According to the established features of a crisis, which combination of characteristics typically defines a crisis event?

(A) High impact, low probability, unexpected,

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but there is a distinct lack of knowledge regarding exactly when and how the next event will spur attacks, making predictions nearly impossible.
This scenario best illustrates:
(A) Volatility
(B) Complexity
(C) Ambiguity
(D) Uncertainty

May/June 2011

40. In the business world, the term VUCA became highly popular in the 2000s in the gamut of Crisis Management primarily due to which of the following significant changes?
(A) The deregulation of the global banking sector
(B) The introduction of the Euro currency
(C) The transition from manufacturing to service economies
(D) The invention and dissemination of the internet

Oct/Nov 2014

41. In the BANI scenario, a system turning "Brittle" is often described as the result of:
(A) Focusing extensively on empathetic employee training
(B) Maximizing profits, which applies to basically any area of life
(C) Over-investing in alternative, redundant technological systems
(D) Utilizing Artificial Intelligence and Big Data algorithms

May/June 2018

42. Consider the following statements regarding the four levels of uncertainty and strategies to manage them:
I. Level 1 uncertainty is best managed using traditional strategy tool kits.
II. Level 2 uncertainty relies on establishing valuation models for discrete, alternate outcomes.
III. Level 3 uncertainty involves environments where outcomes lie anywhere along a continuum bounded by a range.
IV. Level 4 uncertainty lacks a basis to forecast the future and requires analogies and pattern recognition.
V. Residual uncertainty refers to variables that are completely unknowable despite rigorous analysis.
Which of the above statement(s) is/are correct?
(A) Only I, II, III, and IV
(B) Only II, III, IV, and V
(C) Only I, III, IV, and V
(D) All statements I, II, III, IV, and V

Oct/Nov 2011

43. Consider the following statements regarding leadership strategies to overcome "Ambiguity" with Agility:
I. Leadership should promote flexibility, transparency, adaptability, and agility in all activities.
II. Leaders should hire talents comfortable with ambiguity and who possess critical and innovative thinking skills.
III. Meaningful job rotation and cross-training should be provided to improve team agility.
IV. Experimentation should be strictly prohibited to prevent misjudging situations and events.
V. Leaders should reward team members who demonstrate vision, and understanding, and calculated risk-taking.
Which of the above statement(s) is/are correct?
(A) Only I, II, III, and V
(B) Only I, II, IV, and V
(C) Only II, III, IV, and V
(D) All statements I, II, III, IV, and V

May/June 2024

44. Regarding leadership strategies to manage a VUCA scenario, which of the following statements is incorrect?
(A) To counter volatility, organizations should embrace change as a constant and develop a clear, shared vision of the future.
(B) To address uncertainty, leadership should focus on planning new business ways and conduct periodical environmental screening.
(C) To overcome ambiguity, leadership should promote flexibility, adaptability, and encourage intelligent experimentation.
(D) Enforcing rigid, hierarchical decision-making patterns and strictly avoiding cross-departmental communication or lateral teamwork.

Oct/Nov 2015

45. The transition from the VUCA framework to the BANI framework was prompted by changes

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in the global context. According to the BANI concept, what has the feeling of "uncertainty" evolved into?
(A) Passivity
(B) Volatility
(C) Anxiety
(D) Ambiguity

May/June 2007

46. Read the following scenario and answer the question that follows:
A telecommunications company is deciding where and how to compete in the emerging consumer-multimedia market. It faces interacting uncertainties regarding technology, consumer demand, and relationships between hardware and content providers. These factors interact in ways so unpredictable that no plausible range of scenarios can be identified.
Which level of uncertainty is the company facing?
(A) Level 1 Uncertainty
(B) Level 4 Uncertainty
(C) Level 2 Uncertainty
(D) Level 3 Uncertainty

Oct/Nov 2022

47. Read the following scenario and answer the question that follows:
A traditional print media publishing company decides to transition completely into digital media and entertainment. There are no clear precedents, casual relationships are unclear, and the company is still learning how customers will access data given new technologies.
This situation is an example of:
(A) Volatility
(B) Ambiguity
(C) Uncertainty
(D) Complexity

May/June 2019

48. Match the components of VUCA in List I with their corresponding practical examples in List II.
List I: (Components of VUCA)
P. Volatility
Q. Uncertainty
R. Complexity
S. Ambiguity
List II: (Practical Examples)
1. Anti-terrorism initiatives where the timing and method of attacks are unknown.
2. Deciding to shift to an unknown or emerging market with no core competencies available.
3. Doing business in many geographies, all with unique regulatory environments and tariffs.
4. Fluctuations in jet fuel costs during the 21st century.
(A) P-1, Q-2, R-3, S-4
(B) P-4, Q-1, R-3, S-2
(C) P-3, Q-4, R-2, S-1
(D) P-2, Q-3, R-1, S-4

Oct/Nov 2005

49. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Experimentation is highly discouraged in ambiguous situations as the former rules of business always apply.
Reason (R): Only through intelligent experimentation can leaders determine what strategies are beneficial when traditional rules of business no longer apply.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

50. Consider the following statements regarding strategies to counter "Volatility":
I. Leaders should ensure that resources are aggressively directed towards building slack and creating potential for future flexibility.
II. Leaders should view technology as the root cause of problems and avoid institutionalizing robust business models.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

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Oct/Nov 2018

51. Identify the incorrect pair matching the BANI element with its proposed strategy to deal with it.
(A) Brittleness - Addressed with resilience, flexibility, and alternative plans
(B) Anxiety - Addressed with awareness, empathy, and mindfulness
(C) Incomprehensibility - Addressed with transparency and intuition
(D) Utilizing rigid long-term planning models and maintaining strict structural expectations despite environmental volatility.

May/June 2022

52. The concept of VUCA was initially developed during the post-Cold War period to describe the social transformations and new world dynamics. Which entity originally developed this terminology?
(A) The United Nations Security Council
(B) The World Bank
(C) The International Monetary Fund
(D) The US Army

Oct/Nov 2009

53. Identify the correct pair that links a VUCA component with its corresponding recommended leadership strategy.
(A) Volatility - Clarity
(B) Uncertainty - Agility
(C) Complexity - Clarity
(D) Ambiguity - Vision

May/June 2021

54. Read the following scenario and answer the question that follows:
A global bank decides to expand its operations into 15 different countries simultaneously. The bank must navigate unique regulatory environments, varying cultural values, and distinct economic tariffs in each location, making decision-making heavily interconnected.
This scenario highlights which aspect of VUCA?
(A) Volatility
(B) Uncertainty
(C) Complexity
(D) Ambiguity

Oct/Nov 2024

55. Consider the following statements regarding strategies to respond to "Complexity":
I. Leaders must bring clarity to events in their own mind as an initial step.
II. Organizations should ensure simplification of each work process to address complexity issues.
III. Restructuring internal company operations to match the external complexity is the most effective way to address it.
IV. Leaders should discourage "out-of-box" thinking as it complicates established structural norms.
Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) All statements I, II, III, and IV

May/June 2016

56. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): The old one-size-fits-all approach to strategic analysis is highly adequate for modern organizations.
Reason (R): Organizations in most industries face strategy problems that have varying levels of residual uncertainty, requiring strategic analysis to be tailored to the specific level.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2012

57. The evolution of crises, particularly the COVID-19 pandemic, proved that the VUCA model was no longer sufficient. Which anthropologist, author, and futurist coined the new acronym 'BANI'?
(A) Jamais Cascio
(B) Steven Fink
(C) Ian Mitroff
(D) Tony Burnett

May/June 2005

58. In a VUCA environment, the greater the variety of factors, and the more interconnected they

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Which of the above statement(s) is/are correct?
(A) Only I, II, and III
(B) Only I, III, and IV
(C) Only II, III, and IV
(D) All statements I, II, III, and IV

May/June 2015

72. Consider the following statements regarding strategies for dealing with BANI scenarios:
I. In a non-linear world, organizations should rely only on proven contemporary methods to avoid the burden of innovation.
II. Misunderstanding and incomprehensibility can be effectively addressed through the use of technologies like AI and Data Science.
III. Incomprehensibility demands that we develop our own instinct and perception, relying on intuition and transparency.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) Only I and III
(D) I, II, and III

Oct/Nov 2013

73. Which of the following statements regarding Fink's Model of Crisis Management is incorrect?
(A) Actions taken during the prodromal stage can limit the scope of the crisis without getting it enlarged.
(B) The acute stage is characterized by the crisis event and resulting damage, often triggered by a specific event.
(C) A premature conclusion that the chronic stage has ended can leave an organization vulnerable to a resurgence of the crisis.
(D) Fink's model views crisis management as a strictly linear process where learning is rarely integrated into future planning.

May/June 2012

74. Burnett's Model of Crisis Management divides the inner-circle into six sequential steps. Which of the following represents the correct chronological order of the first three steps?
(A) Strategy formulation, Environmental analysis, Goal formation
(B) Goal formation, Strategy formulation, Environmental analysis
(C) Environmental analysis, Goal formation, Strategy formulation
(D) Goal formation, Environmental analysis, Strategy formulation

Oct/Nov 2025

75. Which of the following statements is correct regarding the HR department's role in Crisis Management Planning?
(A) HR is strictly prohibited from developing an exclusive crisis plan addressing the human aspect of crises due to legal constraints.
(B) Crisis management planning by HR focuses entirely on external market demographic analysis and broad economic trend forecasting.
(C) HR's mini plan should conceal crisis management efforts from employees to avoid unnecessary panic or drops in staff motivation.
(D) Developing a crisis plan that identifies vulnerabilities to HR functions, creates mitigation plans, and protects critical HR records.

May/June 2017

76. Which of the following is NOT characteristic of a "Non-linear" world as described in the BANI approach?
(A) Small decisions have disproportionate impacts that can turn out devastating or beneficial for the organization's future growth.
(B) Changes lead to consequences with huge delays or only later become tangible within the organization's operational framework.
(C) Events seem disconnected and disproportionate, lacking a well-defined and standardized structure for management to follow easily.
(D) Operating under a linear cause-effect chain that functions perfectly, allowing for highly accurate long-term planning models.

Oct/Nov 2006

77. Read the following scenario and answer the question that follows:
A bank's internal compliance team notices minor but persistent irregularities in a specific branch's loan sanctioning process. They proactively monitor the situation and implement stricter audit controls before any major financial fraud occurs.
According to Fink's Model, the team's actions are taking place in which stage?

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(D) Signal Detection

Oct/Nov 2010

65. According to Steven Fink's Model of Crisis Management, what is the correct chronological sequence of the four stages?
(A) Acute, Prodromal, Resolution, Chronic
(B) Prodromal, Acute, Chronic, Resolution
(C) Chronic, Acute, Prodromal, Resolution
(D) Prodromal, Chronic, Acute, Resolution

May/June 2010

66. What is the most appropriate role of HR in "Crisis Communication & Employee Relations" during a crisis?
(A) Rolling out internal communication, updating intranet sites, and ensuring employees are aware of vulnerabilities and potential threats.
(B) Issuing press releases to international media channels regarding the organization's financial losses and its stock market performance.
(C) Shutting down all internal communication channels like bulletin boards and ticketing systems to prevent the spread of staff rumors.
(D) Independently rewriting all organizational business continuity algorithms and financial risk assessment models for the board members.

Oct/Nov 2007

67. Which of the following statements regarding the "Anxious" element of BANI is incorrect?
(A) It is caused by continuous changes and can lead to passivity to avoid potentially wrong decisions.
(B) Media focus on immediate happenings and the spread of 'fake news' add to this anxiety.
(C) Anxiety ensures that organizations maintain completely rational, emotionless decision-making under pressure.
(D) People dealing with anxiety often feel helpless and desperate about missed opportunities.

May/June 2023

68. In Burnett's Model, the outer-ring consists of four factors that disrupt an organization's ability to focus on and strategically manage a crisis. These factors include time pressure, threat level concerns, response option constraints, and which of the following?
(A) Budgetary deficits
(B) Control issues
(C) Media interference
(D) Human resource shortages

Oct/Nov 2019

69. Consider the following components mapped to the inner circle of Burnett's model:
I. Goal formation
II. Environmental analysis
III. Strategy formulation
IV. Strategic control
Which combination correctly represents the steps categorized under the "Identification" and "Confrontation" categories?
(A) Identification: I, II; Confrontation: III (and Strategy evaluation)
(B) Identification: I, II; Confrontation: III, IV
(C) Identification: I, IV; Confrontation: II, III
(D) Identification: III, IV; Confrontation: I, II

May/June 2006

70. Read the following scenario and answer the question that follows:
A global manufacturer realizes that the severe climate crisis manifesting today is heavily influenced by industrial decisions made by the sector over forty years ago. The enormous gap in time between the cause and the tangible consequence illustrates which concept of the BANI framework?
(A) Brittle
(B) Anxious
(C) Non-linear
(D) Incomprehensible

Oct/Nov 2016

71. Consider the following statements regarding HR's role in a crisis:
I. Crisis management training can include everything from fire drills to in-depth leadership courses.
II. Succession planning is a critical HR function to identify talents if a team leader is injured.
III. Employees should be considered as solution-givers, and greater employee involvement should be promoted.
IV. HR should suspend all reward and recognition schemes during a crisis to save financial resources.

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Oct/Nov 2014

83. How is a "Crisis Management Model" conceptually defined?
(A) A financial algorithm used exclusively to predict the exact date of an impending cyber-attack on a firm's internal servers.
(B) A strictly linear, single-stage process that focuses only on public relations after an event has successfully ended.
(C) An HR mandate that regulates routine employee absenteeism and standard disciplinary actions within the workplace.
(D) A framework for all aspects relating to crisis management encompassing preparing for, preventing, coping with, and recovering.

May/June 2018

84. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): Mitroff's Five-Stage Model is considered highly significant because it treats crisis management as a cyclical process.
Reason (R): The 'learning' stage in Mitroff's model allows an organization to incorporate what it has learned from the crisis into its organizational philosophy to handle future crisis events.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2011

85. Which of the following correctly identifies the three inner-circle categories in Burnett's Model of Crisis Management?
(A) Preparation, Execution, Review
(B) Signal detection, Damage limitation, Business Recovery
(C) Identification, Confrontation, Reconfiguration
(D) Prodromal, Acute, Chronic

May/June 2024

86. Consider the following statements regarding strategies for dealing with BANI scenarios:
I. Brittleness can be addressed by building resilience through a culture of collaboration and well-distributed structures.
II. Anxiety requires more empathy and training employees in soft skills to dispel fears about future challenges.
Which of the above statement(s) is/are correct?
(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

NODIA

Oct/Nov 2015

87. Based on the changing work environment, the contemporary approach to Human Resource Management (HRM) establishes that the role of HR has outstretched beyond its traditional functions (Hiring, Welfare, IR) to encompass which of the following?
(A) Directing the IT infrastructure architecture and the deployment of new server technology across all global branch locations.
(B) Developmental and strategic functions that directly influence the overall performance and sustainability of the organization.
(C) Solely managing the financial liquidity of the organization through the use of advanced accounting and auditing software.
(D) Managing the public relations marketing budget exclusively to enhance the brand image among potential high-value investors.

May/June 2007

88. Read the following scenario and answer the question that follows:
A tech company implements an advanced Artificial Intelligence algorithm to screen job applicants. Despite best intentions, the algorithm outputs deeply discriminatory results. Programmers find that deleting certain seemingly useless lines of code breaks the entire software, defying standard logical patterns.
This scenario best fits:
(A) Brittle
(B) Incomprehensible
(C) Anxious
(D) Non-linear

Oct/Nov 2022

89. Consider the following statements regarding Fink's Model:
I. The role of a crisis management professional

(A) Acute Stage
(B) Chronic Stage
(C) Resolution Stage
(D) Prodromal Stage

May/June 2009

78. Read the following scenario and answer the question that follows:
Employees in a financial firm are overwhelmed by a flood of misinformation and continuous rapid changes in the market. They become highly passive, desperately avoiding decisions for fear that any option might turn out terribly wrong.
This scenario best illustrates which element of BANI?
(A) Brittle
(B) Non-linear
(C) Incomprehensible
(D) Anxious

Oct/Nov 2023

79. What is the most appropriate distinction between Mitroff's "Learning" stage and Fink's "Resolution" stage?
(A) Fink's resolution stage focuses on future applications, while Mitroff's learning stage focuses only on immediate cost-cutting measures.
(B) Mitroff's model incorporates lessons cyclically, while Fink's resolution occurs when the crisis is no longer an immediate concern.
(C) Fink's resolution stage mandates the firing of the crisis management team, while Mitroff's learning stage actively promotes them.
(D) Mitroff's learning stage occurs before the crisis event, while Fink's resolution occurs during the acute phase of the lifecycle.

May/June 2008

80. Match the stages of Mitroff's Five-Stage Model in List I with their descriptions in List II.
List I: (Stages of Mitroff's Five-Stage Model)
P. Signal detection
Q. Probing and prevention
R. Damage containment
S. Learning
List II: (Descriptions)
1. Actively seeking known crises and determining ways to prevent them.
2. Identifies the signs of possible crises within an organization (similar to the prodromal stage).
3. Focuses on the steps taken following the crisis event to limit spread (similar to the chronic stage).
4. Incorporating what was gathered from the crisis into the organizational philosophy to prevent future events.
(A) P-1, Q-2, R-3, S-4
(B) P-2, Q-3, R-1, S-4
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-1, R-3, S-4

Oct/Nov 2020

81. Consider the following statements regarding the role of HR in Crisis Management Process & Policy:
I. HR is responsible for modifying company policies rapidly, such as creating guidelines for remote working during a pandemic.
II. HR acts as the repository for crisis management plans and procedures.
III. An HRMS/HRIS is rarely useful during a crisis as it only contains outdated payroll information.
Which of the above statement(s) is/are correct?
(A) Only I and II
(B) Only II and III
(C) Only I and III
(D) I, II, and III

May/June 2011

82. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.
Assertion (A): In a non-linear BANI scenario, detailed, long-term planning may no longer make sense.
Reason (R): Cause and effect are no longer assessable in advance, as the disconnection between them leads to consequences with huge delays and disproportionate impacts.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

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are, the more difficult it is to make efficient decisions. This description specifically refers to which element of VUCA?
(A) Complexity
(B) Volatility
(C) Uncertainty
(D) Ambiguity

Oct/Nov 2021

59. Read the following scenario and answer the question that follows:
An organization operating in the energy sector faces sudden and dramatic fluctuations in commodity pricing. The speed of change is incredibly fast, leading to turmoil, but the nature of the challenge is understood.
Which VUCA element is the organization primarily experiencing?
(A) Uncertainty
(B) Complexity
(C) Volatility
(D) Ambiguity

May/June 2020

60. What is identified as the most appropriate key to managing a VUCA environment effectively?
(A) Ignoring external variables and focusing solely on internal auditing procedures and standard accounting benchmarks.
(B) Breaking VUCA into component parts, identifying the situations for each, and applying targeted leadership strategies.
(C) Waiting for the environment to stabilize before making any significant strategic or operational changes to the business.
(D) Centralizing all decision-making authority to the highest level of management exclusively to maintain organizational control.

Oct/Nov 2008

61. Read the following scenario and answer the question that follows:
An agricultural economy heavily reliant on monocultures finds itself devastated overnight by a new strain of pest. Despite appearing highly productive and profitable on the surface, the system lacked variability and alternative defenses.
This scenario best exemplifies which element of BANI?
(A) Anxious
(B) Non-linear
(C) Brittle
(D) Incomprehensible

May/June 2014

62. All of the following are stated differences between Fink's three-stage model and Mitroff's five-stage model EXCEPT:
(A) Mitroff's model emphasizes empowering crisis managers during recovery, whereas Fink's model focuses strictly on the recovery timeframe.
(B) Mitroff's model includes a distinct 'learning' stage that incorporates knowledge into organizational philosophy.
(C) Fink's model implies crises can be prevented, while Mitroff's actively tries to prevent crises.
(D) Mitroff's model is explicitly cyclical, recognizing the importance of applying what an organization learns to future events.

Oct/Nov 2017

63. What is identified as the most appropriate cause of "Incomprehensibility" in the BANI framework?
(A) Excess information that is often counterintuitive in nature, specifically when AI or Big Data interventions occur.
(B) A lack of available market data and an absolute absence of advanced technology in the current organizational landscape.
(C) Strict adherence to localized, manual accounting methods and traditional paper-based record-keeping within the firm.
(D) The natural predictability of global warming and climate change as studied by international environmental agencies.

May/June 2025

64. Read the following scenario and answer the question that follows:
Recognizing that crises fall into certain clusters, a manufacturing firm sets up a dedicated risk committee tasked specifically with analyzing past equipment defects and actively determining new operational protocols to ensure such defects never occur.
According to Mitroff's model, this activity best represents:
(A) Damage Containment
(B) Business Recovery
(C) Probing and Prevention

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in the prodromal stage is proactive, seeking to identify signs of a brewing crisis.

II. Failure to recognize potential pitfalls in the prodromal stage creates a reactive situation during the acute stage.

Which of the above statement(s) is/are correct?

(A) Only I
(B) Only II
(C) Both I and II
(D) Neither I nor II

May/June 2019

90. Match the stages of Fink's Crisis Model in List I with their corresponding activities/ characteristics in List II.

List I: (Stages of Fink's Crisis Model)

P. Prodromal Stage
Q. Acute Stage
R. Chronic Stage
S. Resolution Stage

List II: (Characteristics/Activities)

1. Identification of a clear end to the crisis; introspection and root-cause analysis.
2. The period between first signs and crisis eruption; proactive monitoring.
3. Entails activation of crisis managers and their plans; characterized by the crisis event and resulting damage.
4. Refers to lasting effects extending the lifecycle of the crisis; addressing damage to buildings and roads.

(A) P-2, Q-3, R-4, S-1
(B) P-3, Q-2, R-1, S-4
(C) P-1, Q-4, R-3, S-2
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2005

91. Read the following scenario and answer the question that follows:

During a sudden financial market crash, the CEO of an investment firm takes complete charge, counsels employees to prevent panic, eliminates rudimental hierarchical decision-making, and develops alternate operational plans.

These actions best represent:

(A) The Prodromal Stage of crisis management
(B) Leadership Role in Crisis Management
(C) The role of trade unions in crisis management
(D) Mitroff's Damage Containment stage

May/June 2013

92. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): It is the duty of a leader to take precautionary measures to avoid an emergency situation by foreseeing the crisis.

Reason (R): This stage, where a leader is able to feel the early signs of crisis and warn employees, is also called Signal Detection.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2018

93. Consider the following roles performed by HR during Crisis Management:

I. Developing a mini crisis management plan for HR work continuity
II. Updating intranet sites and developing appropriate FAQs
III. Managing Employee Assistance Programs (EAPs) for psychological support
IV. Fostering a culture embedded with problem-solving and positive thinking
V. Executing the organization's corporate marketing campaigns

Which of the above statement(s) is/are correct?

(A) Only I, II, III, and IV
(B) Only II, III, IV, and V
(C) Only I, III, IV, and V
(D) All statements I, II, III, IV, and V

May/June 2022

94. Which of the following statements correctly represents how HR forwards the business case for crisis management planning?

(A) By distancing crisis management from the organization's mission and vision to maintain operational independence and neutrality.
(B) By outsourcing all crisis management responsibilities and policy development to third-party public relations and legal firms.
(C) Linking crisis management to the bottom line, including the achievement of the

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ANSWERS

1. (D) P-4, Q-2, R-3, S-1
Crisis management identifies specific sources by matching causes with relevant events. Natural disasters include environmental catastrophes like earthquakes or tsunamis. Cyber-attacks involve malicious technological disruptions such as DDoS attacks. Organizational mis-deeds result from unethical behaviors or defying regulations. Finally, financial crimes like embezzlement involve data tampering and bribery to illegally gain monetary assets.

2. (C) Being extremely rigid in adhering to outdated plans to maintain strict discipline and organizational hierarchy.
Effective management during a crisis requires high levels of flexibility and adaptability. Rigidity in following outdated plans often hinders the ability to respond to rapidly evolving circumstances and new threats. Instead, management should focus on maintaining core infrastructure, ensuring transparent communication with all stakeholders, and adjusting strategies as the situation develops through different stages.

3. (C) Incidents have structured and predictable responses, whereas crises evolve unpredictably requiring genuinely creative solutions.
Incidents are generally manageable through standard operating procedures and pre-determined contingency plans because they occur within predictable operational scopes. Conversely, crises are abnormal and unstable situations that escalate beyond routine protocols. These complex emergencies pose significant threats to strategic objectives and require leaders to develop innovative, creative solutions rather than relying on existing checklists.

4. (C) Both I and II
Level 1 uncertainty represents a clear-enough future where managers can develop a single strategic direction. This environment allows for the use of traditional analytical tools like Porter's five-forces or market research. Residual uncertainty is considered irrelevant here because the forecast is sufficiently narrow to guide decisions accurately, making it the most predictable level of strategic planning.

5. (D) Assertion (A) is false, but Reason (R) is true.
While related, a crisis and a disaster are not identical in organizational terms. A crisis refers to a specific, unstable period of transition within a system. In contrast, a disaster is defined by its catastrophic consequences for society at large. Essentially, a disaster is viewed as the negative outcome or final result of an unmanaged crisis.

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6. (D) Assertion (A) is false, but Reason (R) is true.
Level 4 uncertainty involves true ambiguity where multiple variables interact unpredictably, making future outcomes virtually impossible to forecast. While the environment is highly complex, the recommended professional strategy is not to rely solely on gut instinct. Instead, managers should use analogies and pattern recognition from similar markets to identify potential directions for organizational evolution and strategic growth.

7. (B) An abnormal, unstable, and complex emergency situation that represents a threat to strategic objectives, reputation, or existence
A crisis is defined by its potential to disrupt the fundamental continuity of an organization. It is characterized by high impact and low probability, often catching management by surprise. Such situations are complex and unstable, demanding urgent decision-making to protect the entity's reputation, strategic goals, and long-term survival against external shocks or internal failures.

8. (B) Pre-established activities and guidelines for preparing and responding to significant catastrophic events in a safe manner.
Crisis management involves the systematic preparation for and response to major negative events that could severely damage an organization. It encompasses developing guidelines and pre-established activities aimed at ensuring safety and operational continuity. The ultimate objective is to mitigate the impact of catastrophic occurrences and move the business

Non-linear, Incomprehensible) evolved as a more accurate descriptor of the world during the COVID-19 pandemic than VUCA.

III. Fink's and Mitroff's models both emphasize the importance of viewing crisis management as a multi-stage process involving proactive preparation and post-crisis learning/resolution.

IV. HR's role is strictly confined to post-crisis payroll management, with no involvement in pre-crisis planning or communication.

V. Effective leadership during a crisis involves taking high risks, enhancing trust, and eliminating rudimental hierarchical decision-making.

Which of the above statement(s) is/are correct?

(A) Only I, II, III, and V
(B) Only I, III, IV, and V
(C) Only II, III, IV, and V
(D) All statements I, II, III, IV, and V

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balanced scorecard and key performance indicators.

(D) By relying solely on legacy accounting metrics and historical data rather than focusing on modern critical success factors.

Oct/Nov 2009

95. Read the following scenario and answer the question that follows:

Due to a sudden technological infrastructure outage, an organization's central servers go down. The HR department immediately utilizes a pre-established SMS and ticketing help desk to provide continuous updates, roles, and procedures to all employees, successfully halting the spread of rumors.

This action best highlights HR's role in:

(A) Crisis Communication & Employee Relations

(B) Influencing Organisational Culture

(C) Training & Talent Development

(D) Succession Planning

May/June 2021

96. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): Organizations should immediately trim down or cancel employee health benefits and compensation schemes during a time of crisis to ensure business survival.

Reason (R): Trimming down benefits can lead to demotivation, legal battles, and financial burdens, hence such steps should be exercised cautiously with a human touch.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

97. Read the following scenario and answer the question that follows:

An organization is facing severe supply chain failures leading to stock shortages. Rather than calling for indefinite strikes, the employee unions decide to be pragmatic, postponing their demands to a future date and focusing on supporting management to overcome the tough times.

This behavior aligns with:

(A) The expected Role of Employees in Crisis Management

(B) Burnett's Response Option Constraints

(C) The promotion of organizational mis-deeds

(D) The initiation of an industrial crisis

May/June 2016

98. Read the following scenario and answer the question that follows:

Following a traumatic natural disaster that severely impacted the local community, the HR department of a regional bank sets up rotational transfers, psychological support services, and connects staff with mental healthcare providers.

This initiative is a practical application of:

(A) Crisis Management Planning

(B) Employee Assistance and Benefits Programmes

(C) Signal Detection

(D) Strategic Reconfiguration

Oct/Nov 2012

99. The following question consists of two statements—Assertion (A) and Reason (R). Answer the question by selecting the appropriate option.

Assertion (A): During a crisis, employees should rely on assumptions, guess works, and grapevine information to stay updated.

Reason (R): Employees must rely only on accurate information that emanates from the recognized communication channels of management.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).

(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).

(C) Assertion (A) is true, but Reason (R) is false.

(D) Assertion (A) is false, but Reason (R) is true.

May/June 2005

100. Consider the following comprehensive statements regarding leading in VUCA/BANI scenarios and Crisis Management:

I. A crisis is typically high impact, low probability, unexpected, and unique.

II. The BANI framework (Brittle, Anxious,

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back toward normalcy with minimal disruption and loss.

9. (B) P-2, Q-1, R-4, S-3
Different levels of uncertainty require specific analytical tools for effective strategy. Level 1 utilizes traditional tool kits, while Level 2 employs decision analysis and game theory for discrete outcomes. Level 3 uses scenario planning and technology forecasting for a range of futures. Finally, Level 4 relies on analogies and nonlinear dynamic models to navigate environments characterized by true ambiguity.

10. (B) Only I and III
Product recalls due to safety defects represent major brand risks categorized as safety scares. Additionally, internal issues like strikes and layoffs signify organizational distress originating from staff issues, creating a negative public impression. However, financial failure and bankruptcy are linked to fiscal mismanagement or embezzlement rather than natural disasters, which involve environmental events like earthquakes, tsunamis, or floods.

11. (D) Level 2 Uncertainty
Level 2 uncertainty occurs when the future is defined by a limited set of discrete, alternate outcomes. In this scenario, the manufacturer faces specific possibilities based on government deregulation and competitor actions. While the exact outcome is unknown, the potential paths are clear and binary. Strategy here depends on which specific outcome eventually materializes from the identified discrete scenarios.

12. (C) It exclusively affects the financial health of the firm without impacting group behavior or internal social dynamics.
Crises are multi-dimensional events that impact far more than just financial metrics. They are characterized by short notice, surprise, and the need for urgent decisions. Beyond monetary loss, a crisis profoundly affects group behavior, internal social dynamics, and organizational culture. It often triggers a transformation process where the existing system must adapt to survive severe external or internal shocks.

13. (A) Moving the business back toward normal operations as efficiently as possible with minimum damage to the enterprise.
The primary goal of crisis management is to restore stability and normalcy following a disruptive event. Organizations aim to minimize the physical, financial, and reputational damage incurred during the incident. While eliminating all risk is impossible, effective management ensures that the firm recovers efficiently by implementing strategic responses that protect core assets and facilitate the continuity of business operations.

14. (A) Only I, II, and III
A crisis is a progressive process that often transcends geographic or organizational boundaries rather than being restricted to one area. Key features include its impact on individuals and societies, and the creation of a sense of lost control over systems. The core elements identifying a crisis are high threat levels, the element of surprise, and extremely limited decision-making time.

15. (B) Only I, III, and IV
Level 3 uncertainty involves a range of potential futures without discrete natural scenarios. Outcomes lie along a continuum defined by key variables. Managers use scenario planning to determine strategic robustness and identify trigger events. Unlike Level 2, there are no clearly defined alternate paths, making it necessary to establish a range to assess the risks of maintaining the status quo.

16. (A) High impact, low probability, unexpected, and unique
A crisis is fundamentally defined by its low probability of occurrence combined with its high impact on organizational survival. These events are unique and unexpected, catching leadership without prior warning. Because they are not recurring or structured, they require non-routine responses. Understanding these characteristics helps managers distinguish true crises from routine operational incidents that follow more predictable patterns.

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17. (A) Developing a list of scenarios and related probabilities to calculate the exact expected value of all different strategies.
Calculating exact expected values based on comprehensive probability lists is generally unfeasible in high-uncertainty environments like Level 3 or 4. Level 1 strategies use discounted-cash-flow models, while Level 2 focuses on discrete scenarios. Level 4 involves using analogies to identify market evolution patterns. Attempting to assign precise probabilities to every possible scenario is an incorrect approach for complex uncertainty.

18. (C) Both I and II are correct
Crises are categorized by their onset characteristics into sudden and smoldering types. Sudden crises occur without warning and escalate rapidly, demanding immediate reaction. Smoldering crises start with minor issues that grow, often undetected, over time before erupting into major problems. Both types represent significant threats, but smoldering crises provide a prodromal period where proactive detection can potentially prevent escalation.

19. (D) The uncertainty that remains after the best possible analysis has been done to identify clear trends and knowable factors.
Residual uncertainty represents the unknown factors that persist even after rigorous strategic analysis is completed. While market research and trend identification can clarify many aspects of the future, some variables remain inherently unpredictable. This leftover uncertainty defines the specific level of risk managers must navigate, ranging from clear-enough futures to true ambiguity where no basis for forecasting exists.

20. (A) Crises evolve unpredictably, necessitating creative strategies rather than reliance on standard pre-planned contingencies.
Pre-prepared solutions are often insufficient during crises because these events are inherently ill-structured and evolve in unpredictable ways. While standard contingencies work for routine incidents, a true crisis breaks established patterns. Consequently, management must move beyond rigid manuals to develop genuinely creative and adaptive strategies. This flexibility allows leaders to address unique challenges as they emerge during the crisis lifecycle.

21. (C) Level 1: A Clear-Enough Future
This scenario illustrates Level 1 uncertainty because the business environment is stable enough for traditional strategic tools to be effective. The executives can use market research and competitor analysis to develop a single, clear strategic direction. Since the forecast is sufficiently narrow to guide decision-making without significant unknown variables, it qualifies as a clear-enough future where residual uncertainty is negligible.

22. (B) Sudden Crisis - Tends to be unanticipated and escalates very quickly
Sudden crises are distinguished by their immediate onset and the lack of prior warning, requiring rapid management response. In contrast, smoldering crises involve issues that grow undetected over a longer period before becoming critical. Identifying the type of onset helps organizations determine the necessary speed of intervention and the types of monitoring systems required to detect potential threats before they escalate.

23. (D) Issues of Disclosures
This crisis is categorized under issues of disclosures because it involves the failure to be transparent about paid endorsements. In modern marketing, especially involving influencers, regulatory and ethical standards require clear communication regarding financial relationships. When a brand fails to disclose these ties, it leads to public backlash and loss of trust, representing a crisis rooted in non-disclosure and dishonesty.

24. (D) P-2, Q-3, R-4, S-1
Strategic levels are illustrated by specific industry examples. Level 1 involves responding to a low-cost airline entrant using traditional tools. Level 2 covers entering deregulated markets with discrete outcomes. Level 3 is represented by entering emerging markets like India where outcomes lie on a continuum. Level 4 includes entering completely new, ambiguous environments like the Russian market in 1992 or multimedia.

25. (B) Clear team roles, a formal assessment team, effective Incident Action Planning (IAP) skills, and robust internal communication
To prevent errors during the initial crisis response, four basic elements are essential. Organizations

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must establish clear team roles and a formal assessment team to evaluate the situation. Additionally, effective Incident Action Planning (IAP) skills allow for structured decision-making. Finally, robust internal communication ensures that information flows accurately, helping the management maintain control and coordination during the critical early stages.

26. (D) A crisis always requires to be triggered by a previously identified and structured problem.
Crises are fundamentally different from structured problems because they are often unique, unexpected, and unpredictable. They do not always originate from previously identified risks; instead, they can emerge from unforeseen external shocks or complex internal failures. Characteristics of a crisis include its progressive nature, the generation of fear among individuals, and a profound sense of lost control over organizational systems.

27. (A) Only I and II
Level 2 uncertainty is characterized by a future that can be described through a few discrete, alternate scenarios. Strategy development depends on which outcome occurs, making simple sensitivity analysis of a baseline model insufficient. Contrary to being impossible, it is actually quite effective to evaluate risks and returns in these situations using decision-analysis frameworks, which help quantify the consequences of different paths.

28. (A) Safety scare
A safety scare occurs when a high-profile product defect threatens consumer well-being and damaging brand reputation. In this scenario, the malfunctioning braking system in a new car model is a classic example. The resulting media attention and nationwide recall highlight the crisis's origin in product safety. This type of crisis demands immediate corrective action to protect the public and restore trust.

29. (C) P-3, Q-2, R-1, S-4
Uncertainty levels are defined by what can be known about the future. Level 1 offers a single, precise forecast for strategy. Level 2 presents a few discrete outcomes. Level 3 provides a range of possible outcomes without natural scenarios. Finally, Level 4 represents true ambiguity where there is no basis to forecast the future, requiring managers to find other strategic anchors.

30. (B) Only I, II, III, and IV
Common causes of crisis include technological failures like software corruption and financial crimes like embezzlement. Supply chain failures often mask planning errors, while disclosure issues are prevalent in influencer marketing. However, natural disasters refer to environmental events like earthquakes or tsunamis, not just technological breakdowns caused by weather. These diverse sources require distinct management approaches to mitigate their specific organizational impacts.

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31. (C) P-2, Q-3, R-4, S-1
The VUCA acronym describes specific environmental challenges. Volatility relates to the speed of industry change and demand fluctuations. Uncertainty involves the inability to make predictions. Complexity refers to the high number of interconnected factors impacting decisions. Finally, ambiguity points to a lack of clarity in interpreting causal relationships. Understanding these components allows leaders to apply targeted strategies to navigate turbulent business landscapes.

32. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
To manage complex environments successfully, leaders must foster "out-of-box" thinking within their teams. This innovative approach is essential because standard solutions often fail to address the interconnected and multifaceted nature of modern organizational challenges. Creative thinking capabilities are directly linked to the development of viable, strategic solutions that allow companies to adapt and thrive despite high levels of environmental complexity.

33. (B) Relying exclusively on expected value calculations of different strategies based on a complete list of defined probabilities.
At Level 4 uncertainty, it is impossible to create a complete list of defined probabilities for expected value calculations. Instead, managers should systematically catalog known information and track market indicators over time. Effective strategies involve using analogies and pattern

creating potential for future flexibility. This allows the organization to absorb shocks from rapid industry changes. Contrary to viewing technology as a problem, leaders should leverage it to build robust business models. Institutionalizing these models helps the organization remain stable while maintaining the agility needed to respond to turmoil.

51. (D) Utilizing rigid long-term planning models and maintaining strict structural expectations despite environmental volatility.
Utilizing rigid, long-term planning is an incorrect strategy for the BANI framework, which emphasizes resilience and flexibility. Brittleness is addressed with alternative plans, and anxiety is managed with empathy. Incomprehensibility requires intuition and transparency. In a non-linear world, rigid models are counterproductive because cause and effect are no longer predictable. Organizations must instead adopt more adaptive and agile approaches to survive.

52. (D) The US Army
The acronym VUCA was originally developed by the US Army War College in the late 1980s and early 1990s. It was designed to describe the volatile, uncertain, complex, and ambiguous world that emerged following the end of the Cold War. The concept was later adopted by the business world to help leaders navigate increasingly turbulent and unpredictable economic environments.

53. (C) Complexity - Clarity
In the VUCA leadership model, each component is addressed by a specific strategy. Complexity is countered with clarity, which involves making sense of interconnected factors. Volatility is met with vision, uncertainty requires understanding, and ambiguity is addressed with agility. Applying clarity helps leaders simplify events in their own minds and communicate clearly to their teams, enabling more efficient decision-making in multifaceted environments.

54. (C) Complexity
This scenario highlights complexity because the bank must manage a high number of interconnected factors across fifteen different countries. Each location presents unique regulatory, cultural, and economic variables that influence one another. In a complex environment, the sheer volume of information and the way these various elements interact make it difficult to predict outcomes and require leaders to seek systemic clarity.

55. (A) Only I, II, and III
Responding to complexity involves leaders bringing clarity to events and simplifying work processes. Restructuring internal operations to match external complexity can also be an effective strategy. However, leaders should encourage "out-of-box" thinking rather than discouraging it. Innovative thinking is crucial for finding viable solutions in complex environments where traditional structural norms are no longer sufficient to handle the volume of interconnected factors.

56. (D) Assertion (A) is false, but Reason (R) is true.
The traditional one-size-fits-all approach to strategic analysis is no longer adequate for modern organizations. This is because industries face varying levels of residual uncertainty that require tailored analytical methods. By recognizing the specific level of uncertainty—from clear-enough futures to true ambiguity—managers can select the most appropriate strategy tool kits. This tailored approach ensures that decisions are based on the best possible analysis.

57. (A) Jamais Cascio
The BANI acronym was coined by Jamais Cascio, an American anthropologist, author, and futurist. He developed the framework to better describe the chaotic and fragile world conditions highlighted by the COVID-19 pandemic. Cascio argued that the traditional VUCA model was no longer sufficient for understanding a reality where systems are brittle, results are non-linear, and information is often completely incomprehensible.

58. (A) Complexity
Complexity in a VUCA environment is defined by the high number of interconnected parts and variables. When these factors are numerous and their relationships are intricate, making efficient decisions becomes significantly more difficult. Organizations must deal with a massive volume of information and navigate multiple layers of dependency, making it essential for leaders to

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42. (A) Only I, II, III, and IV
Strategic management of uncertainty involves using traditional tools for Level 1 and valuation models for Level 2 scenarios. Level 3 handles outcomes along a continuum, while Level 4 relies on analogies and pattern recognition. Residual uncertainty refers specifically to factors that remain unknown after the best possible analysis is conducted. It does not imply that variables are completely unknowable without any effort.

43. (A) Only I, II, III, and V
To overcome ambiguity with agility, leaders must promote flexibility, transparency, and adaptability. Hiring talent comfortable with uncertainty and providing cross-training improves overall team agility. Rewarding vision and calculated risk-taking also helps. Contrary to prohibiting experimentation, leaders should actually encourage intelligent experimentation, as it is often the only way to determine beneficial strategies when traditional business rules no longer apply.

44. (D) Enforcing rigid, hierarchical decision-making patterns and strictly avoiding cross-departmental communication or lateral teamwork.
Successful leadership in a VUCA environment requires breaking away from rigid, hierarchical structures. Instead of isolated decision-making, organizations should encourage lateral teamwork and cross-departmental communication to foster agility. Countering volatility requires a shared vision, while addressing uncertainty demands environmental screening. Overcoming ambiguity involves flexibility and intelligent experimentation. Rigid adherence to old hierarchical patterns is an incorrect and counterproductive strategy for managing crises.

45. (C) Anxiety
The BANI framework suggests that the classic feeling of uncertainty from the VUCA model has evolved into a deeper state of anxiety. In a world characterized by rapid, incomprehensible changes and non-linear consequences, people often feel helpless and desperate about the future. This anxiety can lead to passivity and a fear of making wrong decisions, requiring leaders to focus more on empathy.

46. (B) Level 4 Uncertainty
The company is experiencing Level 4 uncertainty because multiple interacting variables—technology, demand, and hardware content—create an environment where no plausible range of scenarios can be identified. There is no basis to forecast the future accurately, making traditional tools and scenario planning ineffective. This level of true ambiguity requires the use of analogies and pattern recognition to navigate the unpredictable landscape.

47. (B) Ambiguity
This situation represents ambiguity because the publishing company is moving into a realm where causal relationships are unclear and no precedents exist. Ambiguity involves a lack of clarity in interpreting things and a environment where traditional business rules may not apply. To navigate this, the company must focus on agility, flexibility, and intelligent experimentation to discover how customers will interact with new technologies.

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48. (B) P-4, Q-1, R-3, S-2
VUCA components are illustrated by specific business realities. Volatility is seen in rapid fuel cost fluctuations. Uncertainty is exemplified by anti-terrorism initiatives with unknown timings. Complexity appears when managing diverse geographic markets with unique regulations. Finally, ambiguity is shown when shifting to emerging markets without core competencies. Mapping these examples helps managers apply the correct strategic response to each unique environmental challenge.

49. (D) Assertion (A) is false, but Reason (R) is true.
In ambiguous situations, experimentation is highly encouraged rather than discouraged. When traditional business rules no longer apply and causal relationships are unclear, managers cannot rely on old methods. Instead, through intelligent experimentation, leaders can gather data and identify which strategies are effective in the new environment. This proactive approach is essential for discovering beneficial paths and adapting to true ambiguity.

50. (A) Only I
To counter volatility, leaders should aggressively direct resources toward building slack and

recognition from similar markets to identify potential evolutionary paths. Relying on precise statistical models in an ambiguous environment is an incorrect and misleading approach.

34. (D) Selecting VUCA or BANI based on an assessment of circumstances and which narrative best connects with an organizational vision.
Neither VUCA nor BANI is universally superior; the choice depends on the specific organizational context and vision. While BANI addresses the fragility and non-linearity highlighted by recent global events, VUCA remains a relevant framework for understanding environmental dynamics. Leaders should assess their unique circumstances and select the narrative that best helps their team interpret and respond to the prevailing challenges.

35. (A) It eliminates the need for constant training and knowledge acquisition.
A VUCA environment significantly increases the need for continuous training and knowledge acquisition due to rapid changes and complexity. It does not eliminate this requirement. Instead, the enormity of such environments can destabilize employees, cause anxiety, and undermine motivation. The high level of unpredictability also increases the risk of making inappropriate decisions, making ongoing skill development and environmental scanning even more critical.

36. (A) P-2, Q-4, R-1, S-3
The BANI framework describes modern instability through four elements. Brittle systems are susceptible to sudden catastrophe. Anxious environments create a sense of helplessness and urgency, often fueled by misinformation. Non-linear situations show a disconnection between cause and effect with delayed consequences. Incomprehensible events lack logic and purpose due to excessive, counterintuitive information. Matching these descriptions helps organizations build appropriate resilience and empathy.

37. (A) Level 3 Uncertainty
This situation exemplifies Level 3 uncertainty because the future outcomes lie along a continuous range rather than discrete scenarios. With potential customer penetration rates spanning from 10% to 30%, management faces a broad continuum defined by key variables. In such cases, there are no natural, distinct paths to follow, requiring strategies that are robust across the entire range of possible market outcomes.

38. (B) Only I and III
Addressing uncertainty requires organizations to stop, listen, and look around to develop fresh perspectives and thinking. Leaders should promote mentoring programs that attract creative talent and encourage new approaches rather than relying solely on existing information. Gathering new data and performing periodical environmental screening are essential, as sticking only to old information sources prevents the organization from adapting to change.

39. (D) Uncertainty
This scenario illustrates uncertainty because while the general causes of threats are known, the specific timing and methods remain unpredictable. This lack of situational awareness makes it nearly impossible to forecast the next event accurately. Uncertainty in a VUCA context focuses on this inability to predict outcomes, requiring organizations to enhance their environmental scanning and build flexibility to respond to unforeseen attacks.

40. (D) The invention and dissemination of the internet
The term VUCA gained immense popularity in the business world during the 2000s due to the rapid technological shifts caused by the internet. This digital revolution increased the speed of information flow, global connectivity, and market volatility. As the internet transformed how businesses operate and communicate, the VUCA framework became essential for managers trying to navigate the resulting acceleration and complexity.

41. (B) Maximizing profits, which applies to basically any area of life
In the BANI framework, systems become "Brittle" when they are over-optimized for a single goal, such as profit maximization, at the expense of resilience and flexibility. While these systems appear efficient on the surface, they lack the redundancy needed to withstand shocks. This fragility means that even small disruptions can lead to total system failure, highlighting the dangers of neglecting long-term stability.

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develop clarity and simplify processes to manage effectively.

59. (C) Volatility
The organization is primarily experiencing volatility, characterized by the high speed of change and dramatic fluctuations in pricing. Although the nature of the challenge is understood, the rapid turmoil and frequency of shifts create a chaotic environment. To manage volatility, leaders need to develop a clear vision and ensure the organization remains agile enough to respond to these fast-moving external shocks.

60. (B) Breaking VUCA into component parts, identifying the situations for each, and applying targeted leadership strategies.
Effective management in a VUCA environment requires deconstructing the broad concept into its specific components: Volatility, Uncertainty, Complexity, and Ambiguity. By identifying which specific element is most prevalent in a given situation, leaders can apply targeted strategies like vision, understanding, clarity, and agility. This analytical approach allows for more precise interventions rather than relying on generalized or outdated management styles.

61. (C) Brittle
This scenario illustrates brittleness, where a system appears productive and strong on the surface but is actually fragile and susceptible to sudden failure. The agricultural economy's lack of variability and over-reliance on a single crop made it vulnerable to a pest outbreak. In the BANI framework, brittle systems lack redundancy and flexibility, leading to catastrophic collapses when faced with unforeseen shocks.

62. (A) Mitroff's model emphasizes empowering crisis managers during recovery, whereas Fink's model focuses strictly on the recovery timeframe. Both Fink's and Mitroff's models address the recovery phase, but their emphasis differs. Mitroff's model is explicitly cyclical and includes a dedicated "learning" stage to integrate knowledge into organizational philosophy. Fink's model views the chronic stage as a lingering period that eventually reaches resolution. The primary difference is Mitroff's focus on active prevention and cyclical learning, rather than a specific empowerment difference during recovery.

63. (A) Excess information that is often counterintuitive in nature, specifically when AI or Big Data interventions occur.
Incomprehensibility in the BANI framework often results from an overload of information that defies simple logic or purpose. When systems utilize complex AI or Big Data algorithms, the results can be counterintuitive and difficult for humans to interpret. This excess of data can mask cause-and-effect relationships, making the environment feel senseless. To counter this, leaders must rely more on intuition and transparency.

64. (C) Probing and Prevention
According to Mitroff's model, probing and prevention involves actively seeking out potential crisis factors and determining ways to mitigate them. In this scenario, the manufacturer is analyzing past equipment defects to develop new protocols that prevent future occurrences. This proactive approach identifies known crisis clusters and implements specific measures to ensure the organization is better prepared and less vulnerable to recurring issues.

65. (B) Prodromal, Acute, Chronic, Resolution
Steven Fink's model outlines the four chronological stages of a crisis lifecycle. It begins with the prodromal stage, where early warning signs appear. This is followed by the acute stage, where the crisis event erupts. Next is the chronic stage, characterized by the lingering, long-term effects of the event. Finally, the resolution stage marks the end of the crisis and a return to normalcy.

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66. (A) Rolling out internal communication, updating intranet sites, and ensuring employees are aware of vulnerabilities and potential threats.
In crisis communication, HR's primary role is to manage internal employee relations. This involves rolling out timely communications, updating intranets, and providing FAQs to keep staff informed and reduce panic. By ensuring transparency and awareness of potential threats, HR helps maintain employee trust and prevents the spread of rumors. This internal focus is

critical for maintaining stability and morale during turbulent periods.

67. (C) Anxiety ensures that organizations maintain completely rational, emotionless decision-making under pressure.
Anxiety in the BANI framework actually hinders rational decision-making rather than ensuring it. It is caused by rapid changes and the spread of misinformation, often leading to a sense of helplessness and passivity. People may avoid making decisions for fear of being wrong. This emotional state requires leaders to focus on empathy and soft skills training to help employees navigate their fears and regain confidence.

68. (B) Control issues
Burnett's Model identifies four external factors in the outer ring that disrupt strategic crisis management. These include time pressure, threat level concerns, response option constraints, and control issues. These factors exert pressure on the organization's inner strategic steps, making it harder to focus on goal formation and strategy implementation. Understanding these constraints is essential for leaders to manage the intensity and complexity of a crisis effectively.

69. (A) Identification: I, II; Confrontation: III (and Strategy evaluation)
Burnett's Model categorizes the six steps of the inner circle into three logical groups. The "Identification" phase includes Goal formation and Environmental analysis. The "Confrontation" phase involves Strategy formulation and Strategy evaluation. Finally, the "Reconfiguration" phase covers Strategy implementation and Strategic control. This structured approach allows organizations to systematically move from identifying the crisis threat to executing and refining their strategic response.

70. (C) Non-linear
The climate crisis illustrates the non-linear element of BANI because of the massive gap between the cause and its eventual consequences. Decisions made decades ago lead to delayed and disproportionate impacts today. In a non-linear world, cause-effect chains are not immediate or easily assessable in advance. This lack of clear, direct relationships makes long-term planning difficult and requires organizations to stay adaptive to evolving long-term trends.

71. (A) Only I, II, and III
HR plays a vital role in crisis management by providing training, managing succession planning, and involving employees as solution-givers. These activities ensure the organization is prepared for leadership gaps and benefits from staff insights. While saving resources is important, HR should not automatically suspend all rewards. Instead, maintaining recognition and supporting employees through assistance programs is essential for keeping morale high and motivation stable during difficult times.

72. (B) Only II and III
To deal with BANI scenarios, organizations should use AI and Data Science to address incomprehensibility, while also developing their own intuition and transparency. In a non-linear world, relying only on proven contemporary methods is insufficient because the disconnection between cause and effect demands innovation. Leaders must be prepared to look beyond old models and embrace new ways of thinking and perceiving the environment to survive.

73. (D) Fink's model views crisis management as a strictly linear process where learning is rarely integrated into future planning.
While Fink's model follows a chronological sequence, it does not suggest that learning is ignored. In fact, the resolution stage involves introspection and root-cause analysis to learn from the event. Actions in the prodromal stage can limit a crisis, and the acute stage is where damage occurs. Understanding these stages allows organizations to better prepare for and recover from crises, integrating lessons into their overall management approach.

74. (D) Goal formation, Environmental analysis, Strategy formulation
Burnett's Model of Crisis Management organizes the inner-circle into six sequential steps. The process begins with Goal formation, where the organization defines its objectives for the crisis. This is followed by Environmental analysis to understand the external and internal context. The third step is Strategy formulation, where specific plans are developed to address the crisis.

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Following these steps ensures a structured and strategic response to threats.

75. (D) Developing a crisis plan that identifies vulnerabilities to HR records, creates mitigation plans, and protects critical HR records.
HR departments should develop a mini crisis management plan focused on the human and administrative aspects of the organization. This plan identifies specific vulnerabilities in HR functions, creates mitigation strategies, and ensures the protection of critical personnel records. By focusing on workforce continuity and support systems, HR provides a vital layer of protection that complements the broader organizational crisis response and ensures employees are supported.

76. (D) Operating under a linear cause-effect chain that functions perfectly, allowing for highly accurate long-term planning models.
A "Non-linear" world is characterized by the breakdown of simple cause-effect chains, making long-term planning models inaccurate. Small decisions can have disproportionate, devastating impacts, and consequences are often significantly delayed. This lack of structure means that events appear disconnected, frustrating traditional management efforts. In the BANI framework, the unpredictability of non-linear results requires organizations to be highly adaptive and move away from rigid, deterministic planning.

77. (D) Prodromal Stage
The bank's proactive monitoring and implementation of audit controls occur in the prodromal stage of Fink's model. This stage is defined by the appearance of early warning signs or "red flags" before a full-blown crisis erupts. By identifying and addressing these minor irregularities early, the team is successfully managing the situation to prevent the crisis from reaching the acute stage where major damage would occur.

78. (D) Anxious
This scenario illustrates the "Anxious" element of BANI, where employees become passive due to a fear of making wrong decisions amidst rapid changes and misinformation. The feeling of helplessness and desperation regarding missed opportunities is a hallmark of this state. In such environments, the urgency and lack of clarity create psychological pressure that can paralyze decision-making, requiring leaders to use empathy and mindfulness to support their teams.

79. (B) Mitroff's model incorporates lessons cyclically, while Fink's resolution occurs when the crisis is no longer an immediate concern.
The primary distinction lies in how the models view the conclusion of the crisis. Fink's "Resolution" stage is the final chronological phase where the crisis is settled and normalcy returns. In contrast, Mitroff's "Learning" stage is part of a cyclical process. It emphasizes active introspection to incorporate lessons into the organizational philosophy, specifically to improve signal detection and prevention for future crisis events.

80. (D) P-2, Q-1, R-3, S-4
Mitroff's five-stage model provides a structured framework for crisis management. Signal detection identifies early warning signs. Probing and prevention involves actively seeking known crisis factors. Damage containment focuses on limiting the spread after an event. Finally, learning involves cyclically incorporating gathered knowledge into the organizational philosophy. This model emphasizes continuous improvement and active prevention, moving beyond a simple linear response to ensure long-term organizational resilience.

81. (A) Only I and II
HR is responsible for rapidly modifying policies, such as remote work guidelines, and serving as the repository for crisis procedures. Contrary to being useless, an HRMS/HRIS is vital during a crisis for accessing real-time employee data and communication channels. These systems allow management to track staff safety and disseminate information quickly, making them a critical tool for effective crisis coordination and business continuity.

82. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
In a non-linear BANI scenario, traditional long-term planning is often ineffective because cause and effect are disconnected. Since consequences can be disproportionate and delayed,

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management cannot accurately predict the future using old models. This unpredictability means that rigid plans are quickly rendered obsolete. Instead, organizations must focus on staying agile and responsive, adapting their strategies as the complex and often senseless impacts of decisions become tangible.

83. (D) A framework for all aspects relating to crisis management encompassing preparing for, preventing, coping with, and recovering.
A crisis management model is a comprehensive framework that guides an organization through every phase of a crisis. It covers proactive preparation and prevention, as well as the immediate coping mechanisms and long-term recovery efforts. Rather than being a single-stage process or a simple financial algorithm, it provides a structured approach to managing instability, ensuring the organization can return to normal operations with minimal damage.

84. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Mitroff's Five-Stage Model is highly significant because it treats crisis management as a continuous, cyclical process rather than a linear event. The "learning" stage is critical to this cycle, as it requires organizations to analyze their performance and integrate those lessons into their core philosophy. This ensures that the organization is better equipped for signal detection and prevention in the future, fostering long-term resilience.

85. (C) Identification, Confrontation, Reconfiguration
Burnett's Model of Crisis Management divides the six steps of the inner circle into three broader categories. "Identification" includes goal formation and environmental analysis. "Confrontation" covers strategy formulation and evaluation. "Reconfiguration" involves strategy implementation and strategic control. These categories provide a logical structure for managing the crisis strategically, allowing the organization to move from identifying the threat to implementing and controlling the necessary organizational changes.

86. (C) Both I and II
Strategies for managing BANI scenarios focus on building human and structural resilience. Brittleness is countered by creating collaborative cultures and well-distributed systems that avoid single points of failure. Anxiety is addressed through empathy and soft skills training, which help employees manage their fears about rapid change. By focusing on both organizational structure and psychological support, companies can better navigate the fragility and stress of the modern world.

87. (B) Developmental and strategic functions that directly influence the overall performance and sustainability of the organization.
Modern Human Resource Management has moved beyond traditional administrative duties to embrace developmental and strategic roles. HR now directly influences organizational performance and long-term sustainability by managing talent, culture, and crisis response. These strategic functions ensure that the workforce is aligned with the company's mission and vision, and is prepared to adapt to the complexities of a volatile and changing business environment.

88. (B) Incomprehensible
This scenario exemplifies incomprehensibility because the software's behavior lacks clear logic and standard causal patterns. When deleting code breaks seemingly unrelated functions, the system becomes senseless to the programmers. In the BANI framework, incomprehensibility often arises from complex technologies like AI, where the vast amount of data and internal processing defy simple human interpretation. To manage this, organizations must rely more on intuition and transparency.

89. (C) Both I and II
In Fink's model, the prodromal stage requires crisis managers to be proactive in identifying early warning signs. Successful detection allows the organization to address issues before they escalate. Conversely, failing to recognize these pitfalls leads to a reactive and more difficult situation during the acute stage. Effective management depends on the ability to foresee potential crises and take early action to limit their scope and impact.

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90. (A) P-2, Q-3, R-4, S-1
Fink's model stages correspond to specific activities in the crisis lifecycle. The prodromal stage involves proactive monitoring of early signs. The acute stage activates crisis plans as damage occurs. The chronic stage deals with the lingering, long-term effects on infrastructure or reputation. Finally, the resolution stage marks the end of the crisis, characterized by introspection and root-cause analysis to ensure the event is fully settled.

91. (B) Leadership Role in Crisis Management
The CEO's actions demonstrate effective leadership during a crisis. By taking charge, preventing panic, and eliminating rigid hierarchies, the leader ensures the organization remains agile and responsive. Developing alternate plans and providing direct counsel to employees are critical leadership behaviors that maintain trust and operational continuity. These actions focus on the human and strategic elements necessary to guide an organization through a major financial disruption.

92. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
A primary duty of leadership is to foresee potential crises and take precautionary measures to prevent them. This early phase, characterized by identifying warning signs and alerting the team, is known as signal detection. By being sensitive to these initial indicators, a leader can proactively manage the situation and potentially avoid a full-scale emergency, illustrating the importance of vigilance in modern crisis management.

93. (A) Only I, II, III, and IV
During a crisis, HR performs critical functions like developing continuity plans, updating communication channels, and managing employee assistance programs. They also work to foster a positive, problem-solving organizational culture. However, executing corporate marketing campaigns is typically a function of the marketing or public relations department. HR's focus remains on the workforce, ensuring employees are informed, supported, and psychologically prepared to handle the crisis.

94. (C) Linking crisis management to the bottom line, including the achievement of the balanced scorecard and key performance indicators.
HR builds the business case for crisis management planning by demonstrating its direct impact on organizational performance. By linking crisis readiness to the bottom line, including balanced scorecard metrics and KPIs, HR shows that preparedness is a financial and strategic necessity. This approach moves crisis management beyond a simple safety measure, framing it as a critical factor for achieving long-term business goals and sustainability.

95. (A) Crisis Communication & Employee Relations
In this scenario, HR's immediate use of pre-established communication tools like SMS and a help desk highlights its role in crisis communication. By providing timely updates on roles and procedures, HR prevents the spread of rumors and keeps the workforce aligned. Effective employee relations during a crisis depend on this transparency and the ability to maintain a reliable flow of accurate information despite technological outages.

96. (D) Assertion (A) is false, but Reason (R) is true.
Organizations should not immediately trim down employee benefits during a crisis, as this often leads to demotivation and legal issues. While financial survival is important, such steps must be taken with extreme caution and a "human touch." Maintaining support and fair compensation is essential for preserving staff morale and loyalty, which are critical for the organization's eventual recovery and long-term performance.

97. (A) The expected Role of Employees in Crisis Management
During a crisis, employees are expected to play a supportive role by being pragmatic and postponing personal demands. By choosing to collaborate with management rather than striking, the union demonstrates a commitment to the organization's survival. This behavior aligns with the idea that employees should be part of the solution, focusing on collective efforts to overcome tough times and ensuring business continuity for everyone.

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98. (B) Employee Assistance and Benefits Programmes
This initiative is a practical application of employee assistance programs (EAPs). By providing psychological support and mental healthcare services following a natural disaster, HR addresses the well-being of the workforce. Such programs are essential during a crisis to help employees manage trauma and stress. Supporting the human element in this way ensures that staff can eventually return to work and contribute to the organization's recovery.

99. (D) Assertion (A) is false, but Reason (R) is true.
During a crisis, employees must never rely on assumptions or grapevine information, as rumors can worsen the situation and cause unnecessary panic. Instead, they should depend exclusively on accurate information from recognized management channels. Clear, official communication is vital for maintaining order and ensuring that everyone understands their roles and the current status of the crisis. Relying on verified data helps the organization remain focused.

100. (A) Only I, II, III, and V
Crisis management involves recognizing high-impact, low-probability events. Frameworks like BANI accurately describe the fragility and non-linearity of the modern world. Models by Fink and Mitroff highlight the need for multi-stage processes and learning. Effective leadership also requires trust and eliminating rigid hierarchies. However, HR's role is not confined to payroll; they are essential for pre-crisis planning and maintaining employee relations throughout the entire crisis lifecycle.

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CHAPTER 25

Business Ethics, Corporate Governance & CSR

Oct/Nov 2014

1. Who among the following authored the book titled 'The Hard Problems of Management: Gaining the Ethical Edge'?
(A) John Stuart Mill
(B) Immanuel Kant
(C) Archie Carroll
(D) Mark J. Pastin

May/June 2005

2. Which of the following correctly characterizes the envisioned 'Way Forward' for the CSR approach in India?
(A) CSR should be confined strictly to outside stakeholders, minimizing focus on internal employees.
(B) Only large and international companies should contribute to CSR due to their enormous resources.
(C) Corporate sectors should adopt a Multi-stakeholder Approach for internal and external stakeholders.
(D) The Public Private Participation (PPP) model should be avoided as it dilutes the corporate sector's independent social efforts.

Oct/Nov 2023

3. Which ethical theory is based on the premise that an action is right if and only when we will do it to become a universal law of conduct?
(A) Utilitarian Theory
(B) Virtue Theory
(C) Deontological Theory
(D) Teleological Theory

May/June 2012

4. Which of the following is an incorrect statement regarding the Public Private Participation (PPP) model in the context of CSR?
(A) The PPP model is recognized as a successful model for public spending on major public projects worldwide.
(B) The model is mutually beneficial as the government receives capital and skilled human resources.
(C) The PPP model dictates that the government can and should accomplish all severe social and environmental challenges entirely on its own.
(D) The corporate sector gets necessary support from the government for their social developmental programs under this model.

Oct/Nov 2018

5. Ethics is recognized as a normative study. What does a normative theory primarily aim to discover?
(A) What actions have historically generated the most profit.
(B) What should be, reaching conclusions about moral rights and wrong.
(C) How individuals psychologically process complex business decisions.
(D) How societal customs evolve over time without external intervention.

May/June 2007

6. Which of the following is NOT recognized as a major best practice for improving corporate governance?
(A) Emphasizing on maintaining integrity and ethical dealings without fear of recrimination.
(B) Recognizing that governance of risk is solely the responsibility of middle management, exempting the Board of Directors.
(C) Ensuring to provide necessary factual information to the Directors.
(D) Defining roles and responsibilities of the Board, Chairperson, and CEO clearly and unambiguously.

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Oct/Nov 2025

7. The organizational excellence of a business in today's volatile world is benchmarked on the basis of the 'Triple Bottom Line'. Which of the following correctly identifies the three elements of this approach?
(A) Profit, Productivity, and Planet
(B) Profit, Planet, and People
(C) People, Performance, and Process
(D) Profit, Purpose, and Planet

May/June 2019

8. Which of the following statements correctly identifies a characteristic of Business Ethics?
(A) Business ethics encourages the creation of organizational monopolies to ensure market stability.
(B) Business ethics ensures that businesses work for the welfare of all stakeholders, focusing on long-term survival.
(C) Business ethics is against fair profit making and supports only breakeven operations.
(D) Business ethics is an absolute concept that remains uniform across all countries and organizations.

Oct/Nov 2006

9. Regarding the evolution of Corporate Social Responsibility, which of the following is an incorrect statement?
(A) Adam Smith and Milton Friedman advocated that the only responsibility of business was to perform its economic function effectively.
(B) Intellectuals like Prof. Robert Dahl strongly supported the highly materialistic view that businesses should leave social functions entirely to the government.
(C) Prof. Paul Samuelson argued that the spirit of social responsibility is an inherent feature of a modern business organization.
(D) The popular belief asserts that because organizations draw resources from society, they must give back to the society and environment.

May/June 2021

10. Which specific section of the Companies Act 2013 emerged to mandate and quantify the expenditure under the head of Corporate Social Responsibility activities?
(A) Section 37
(B) Section 80G
(C) Section 135
(D) Section 35AC

Oct/Nov 2010

11. Organizations achieve 'good' Corporate Governance by adhering to basic principles. Which of the following is an exception to these basic principles?
(A) Accountability of Leadership
(B) Responsive to all stakeholders
(C) Equitable and Inclusive decision-making
(D) Lack of documentation to maintain operational secrecy

May/June 2023

12. How did Mahatma Gandhi define the core concept underlying Corporate Social Responsibility?
(A) Businesses must balance their desire to maximize profits against the needs of the stakeholders.
(B) The only responsibility of business is to perform its economic function effectively.
(C) Wealth created from society has to be ploughed back into society.
(D) Organizations are custodians of public welfare and must operate on a philanthropic model.

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Oct/Nov 2022

13. Which statement correctly describes the nature of 'Ethical Responsibility' in Carroll's CSR pyramid?
(A) Standards and practices expected by society despite not being codified into law.
(B) Compliance strictly with the minimum rules defined by national legislators and regulatory bodies.
(C) Purely voluntary activities that are not generally expected in a moral sense.
(D) Codified ethics that articulate fundamental notions of fair and equitable business practices.

May/June 2018

14. The ethical climate in any business organization largely depends on three distinct factors. Which of the following is considered the most decisive factor where the corporate world faces its main challenge?
(A) The individual's sense of value

(B) The social values accepted by the business and industry
(C) The System
(D) The philanthropic initiatives undertaken

Oct/Nov 2016

15. According to Mark J. Pastin, which of the following is NOT a characteristic of an 'Ethical Organisation'?
(A) They are at ease interacting with diverse internal and external stakeholder groups.
(B) They are passionate with fairness and emphasize that other persons' interests count as much as their own.
(C) They view their activities in terms of purpose, which connects the organization to its environment.
(D) They mandate that responsibility is a collective phenomenon rather than an individual one.

May/June 2014

16. Which of the following is defined as the study of business situations, activities, and decisions where issues of right and wrong are addressed?
(A) Business Ethics
(B) Corporate Governance
(C) Corporate Social Responsibility
(D) Strategic Human Resource Management

Oct/Nov 2007

17. Which of the following statements incorrectly describes Immanuel Kant's Deontological Theory?
(A) It is a consequentialist theory where ethical decisions are made based exclusively on the outcomes of an action.
(B) It emphasizes that human beings should be treated with dignity and respect because they too have rights.
(C) It posits that an action has moral worth only when it is done from a sense of duty.
(D) It argues that ethics are based on reason alone and not on human nature.

May/June 2025

18. The World Business Council for Sustainable Development defines Corporate Social Responsibility as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of which primary groups?
(A) The workforce and their families as well as the local community and society at large
(B) The shareholders, the investors, and the regulatory authorities
(C) The board of directors, the executive management, and the compliance officers
(D) The vendors, the suppliers, and the global consumer base

Oct/Nov 2019

19. Which of the following statements accurately represents the philosophy of Indian corporate tycoons regarding 'ethical behaviour'?
(A) It involves prioritizing the company's financial growth over environmental concerns.
(B) It involves adhering strictly to the letter of the law, disregarding the spirit of the law if it hinders profit.
(C) It involves maintaining a completely private approach to societal responsibilities without engaging public stakeholders.
(D) It involves putting the interest of the company above that of one's own personal interest in all transactions.

May/June 2009

20. In contrasting ethics and morals, which of the following accurately describes a conceptual difference between the two?
(A) Ethics is a moral philosophy combining morals and reasoning, while morals are mostly guided by culture.
(B) Ethics are specific and context-driven rules, while morals are a generalized value system.
(C) Ethics limit the scope of human deliberation, while morals lay faith in the free will of the individual.
(D) Ethics are easily practiced, while following a moral culture is a relatively harder path.

Oct/Nov 2011

21. Which of the following is NOT a feature of 'Philanthropic Responsibility' in Carroll's CSR pyramid?
(A) It embraces corporate's voluntary or discretionary activities.
(B) It is guided by a business's desire to participate in social activities that are not mandated by law.
(C) It is a baseline requirement that determines if a firm will go out of business in a

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(C) Both Statements I and II are correct.
(D) Neither Statement I nor II is correct.

May/June 2019

48. Match the items in List I with those in List II.
List I: (Concepts)
P. Ethics
Q. Morals
R. Values
S. Business Ethics
List II: (Distinguishing Traits)
1. Mostly guided by Culture and limits the scope of human deliberation.
2. A moral philosophy combining morals and reasoning, laying faith in free will.
3. Personal in nature, motivating the individual to judge between good and bad.
4. Framework of contemporary organizational standards and norms governing behavior in an organization.
(A) P-1, Q-2, R-4, S-3
(B) P-2, Q-1, R-3, S-4
(C) P-3, Q-4, R-1, S-2
(D) P-4, Q-3, R-2, S-1

Oct/Nov 2006

49. Identify the incorrect pair regarding the CSR activities of Indian Corporates.
(A) Pricol Industries — Sets up research chairs in two IITs in safety and environment
(B) Escorts Ltd. — Farm mechanisation, agricultural development, health care.
(C) Britannia Industries — Promoting sports, especially tennis.
(D) ICICI Bank — Elementary education and universal access to financial services.

May/June 2021

50. Match the items in List I with those in List II.
List I: (Indian Corporate)
P. Tata Steel
Q. The Times India Group
R. Thermax
S. Wipro Technologies
List II: (Specific CSR Activity)
1. Focus on education.
2. Involved in spreading quality primary education.
3. Sets up relief fund to organize rehabilitation measures at times of calamities.
4. Community development, tribal area development, agriculture and allied activities.
(A) P-3, Q-4, R-2, S-1
(B) P-1, Q-2, R-4, S-3
(C) P-4, Q-3, R-1, S-2
(D) P-2, Q-1, R-3, S-4

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Oct/Nov 2010

51. In the context of Carroll's CSR Pyramid, consider the following statements:
I. Economic responsibility is "expected" of business by society.
II. Legal responsibility is "required" of business by society.
III. Ethical responsibility is "expected" of business by society.
Which of the following combinations is correct?
(A) Only I and II
(B) Only I and III
(C) Only II and III
(D) All I, II, and III

May/June 2023

52. Arrange the four types of responsibilities in Carroll's CSR pyramid in the correct sequential order from the foundation (bottom) to the apex (top).
(A) Economic responsibility, Legal responsibility, Ethical responsibility, Philanthropic responsibility
(B) Legal responsibility, Economic responsibility, Philanthropic responsibility, Ethical responsibility
(C) Economic responsibility, Ethical responsibility, Legal responsibility, Philanthropic responsibility
(D) Ethical responsibility, Legal responsibility, Economic responsibility, Philanthropic responsibility

Oct/Nov 2022

53. Match the items in List I with those in List II.
List I: (4 Ps of Corporate Governance)
P. People
Q. Purpose
R. Process
S. Performance
List II: (Definitions)
1. Bringing the company closer to achieving its mission statement.
2. Determine the aim to work towards and evaluate the outcomes.
3. Evaluating if the organization is going in

concept and is highly subjective.
(B) It is intractable to measure certain benefits and costs, such as the value of life or health.
(C) The theory provides strict, inflexible rules to follow in moral decision-making regardless of the consequences.
(D) There is a lack of clarity in defining what constitutes a 'benefit' and what constitutes a 'cost'.

May/June 2024

30. In Archie Carroll's CSR Pyramid, which responsibility acts as the baseline requirement and foundation upon which all other responsibilities rest?
(A) Legal Responsibility
(B) Ethical Responsibility
(C) Philanthropic Responsibility
(D) Economic Responsibility

Oct/Nov 2008

31. Based on the Indian experience, arrange the following conceptual stages of Corporate Social Responsibility in the chronological order of their evolution.
I. Multi-stakeholder approach integrating CSR into sustainable business strategy
II. Mandated quantified expenditure through the Companies Act 2013
III. Philanthropy-based model and the Gandhian Trusteeship model
(A) III, II, I
(B) III, I, II
(C) I, III, II
(D) II, I, III

May/June 2006

32. Identify the incorrect pair regarding the differences between Ethics and Morals.
(A) Ethics — Deals with reasoning as to how to do the right action.
(B) Ethics — Constrain and hold back the individuals from acting
(C) Morals — Described by society or religion.
(D) Morals — Motivate the individual to judge between good and bad.

Oct/Nov 2017

33. The ethical climate in a business organization depends on the individual's sense of value, social values accepted by industry, and 'the System'. Why is 'the System' considered the most appropriate decisive factor?
(A) The easiest factor for corporations to use to gain short-term profit.
(B) The challenge of public governance and the modification of specific laws.
(C) The reliance on voluntary philanthropic activities rather than governance.
(D) The complete replacement for an individual's personal sense of value.

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May/June 2008

34. Consider the following statements regarding the Income Tax Act provisions for CSR:
I. CSR expenditure is allowed as a business expenditure deduction under Section 37 to subsidize corporate efforts by one-third.
II. Deduction under section 80G is not permissible for contributions towards the Swachha Bharat Kosh if the sum is spent in pursuance of CSR.
Which of the following combinations is correct?
(A) Only Statement I is correct.
(B) Only Statement II is correct.
(C) Both Statements I and II are correct.
(D) Neither Statement I nor II is correct.

Oct/Nov 2013

35. Match the items in List I with those in List II.
List I: (Layer of Carroll's CSR Pyramid)
P. Economic Responsibility
Q. Legal Responsibility
R. Ethical Responsibility
S. Philanthropic Responsibility
List II: (Primary Expectation)
1. Being responsive to the "spirit" of the law and offering fair working conditions.
2. Sustaining the business by being profitable to incentivize owners and investors.
3. Voluntary giving, such as sponsoring a local nonprofit's annual fundraiser.
4. Operating in a consistent way in accordance with government requirements.
(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-1, S-3
(C) P-1, Q-3, R-4, S-2
(D) P-3, Q-1, R-2, S-4

May/June 2015

36. Business tycoons in India explain 'ethical behaviour' as putting the interest of the company

above personal interest. This includes which of the following attributes?
I. Thinking strategically and overcoming greed.
II. Complying with the law of the land only when law enforcers are actively monitoring.
III. Enhancing trust and confidence of stakeholders towards the functioning of the company.
Which of the following combinations is correct?
(A) Only I and III
(B) Only I and II
(C) Only II and III
(D) All I, II, and III

Oct/Nov 2012

37. In the context of business ethics, organizations widely using social media channels must evolve a fair and transparent social media policy. This requirement is most appropriately categorized under which area of business ethics?
(A) Technology Ethics
(B) Personal responsibility
(C) Corporate responsibility
(D) Mutual Respect

May/June 2011

38. Match the items in List I with those in List II.
List I: (Statutory Provisions)
P. Section 135 of Companies Act, 2013
Q. Schedule VII of Companies Act, 2013
R. Section 37 of Income Tax Act
S. Section 80G of Income Tax Act
List II: (Legal Implications)
1. Disallows deduction for amounts spent by an assessee on specific funds if it is in pursuance of CSR.
2. Mandates spending 2% of average net profits on CSR for companies meeting specific financial thresholds.
3. Stipulates that expenditure incurred on CSR shall not be deemed as expenditure for business and profession.
4. Enumerates the specific activities that can be undertaken as CSR projects/programmes.
(A) P-4, Q-2, R-1, S-3
(B) P-3, Q-1, R-4, S-2
(C) P-1, Q-3, R-2, S-4
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2020

39. Consider the following statements regarding Immanuel Kant's Categorical Imperative:
I. An action is right if and only when we will do it to become a universal law of conduct.
II. When developing a code of conduct, an individual may use others as a means to serve their own purpose if it maximizes overall utility.
Which of the following combinations is correct?
(A) Only Statement I is correct.
(B) Only Statement II is correct.
(C) Both Statements I and II are correct.
(D) Neither Statement I nor II is correct.

May/June 2022

40. Match the items in List I with those in List II.
List I: (Area of Business Ethics)
P. Personal responsibility
Q. Corporate responsibility
R. Mutual Respect
S. Transparency & Trustworthiness
List II: (Description)
1. Encourages people to do business with the organization through honesty and reliability in financial reports.
2. Expectation to act responsibly with diligence, punctuality, and accepting mistakes with humility.
3. Keeping promises to clients and treating employees as valued members of the team.
4. Moral and contractual obligations of an organization as a separate legal entity towards its stakeholders.
(A) P-4, Q-3, R-2, S-1
(B) P-1, Q-2, R-4, S-3
(C) P-3, Q-1, R-2, S-4
(D) P-2, Q-4, R-3, S-1

Oct/Nov 2009

41. Regarding the 'Way Forward' for the CSR approach in India, consider the following statements:
I. A holistic 'Multi-stakeholder Approach' must focus solely on external stakeholders.
II. Corporations will view CSR as a critical tool for protecting their reputation and building a competitive edge.
III. The Public Private Participation (PPP) model will become increasingly popular as resources and knowledge are shared.
Which of the following combinations is correct?

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(A) Only I and II
(B) Only I and III
(C) All I, II, and III
(D) Only II and III

May/June 2016

42. What is the most appropriate justification for small and medium-sized companies to take up CSR responsibilities beyond the mandated expenditure?
(A) Merging with international companies to secure a regional market monopoly.
(B) Avoiding corporate taxes by claiming complex and extensive deductions.
(C) Adopting a market approach that promotes sincere community development.
(D) Transferring the welfare burden from the government to the private sector.

Oct/Nov 2023

43. Identify the correct pair regarding the best practices for improving corporate governance.
(A) Building a robust Board — Filling vacancies exclusively with management insiders to retain control.
(B) Factual information — Providing regular board agendas, briefings, and access to independent professional advice.
(C) Defining Roles — Ensuring the positions of the Chairperson and the CEO are held by the same individual.
(D) Governance of risk — Restricting risk oversight purely to operational staff, shielding the Board of Directors.

May/June 2012

44. Match the items in List I with those in List II.
List I: (Indian Corporate)
P. AMM Foundation (Murugappa Group)
Q. Asian Paints
R. BHEL
S. Ford Indian Ltd.
List II: (Specific CSR Activity)
1. Funded a large-scale community development project to enable farmers to use local resources effectively.
2. Assistance to communities in education, medical care and research in rural development.
3. Sets up research chairs in two IITs in safety and environment, and measures to recycle waste.
4. Contributed to the development of quality life in rural areas, health care and family welfare.
(A) P-1, Q-2, R-3, S-4
(B) P-3, Q-4, R-1, S-2
(C) P-4, Q-3, R-2, S-1
(D) P-2, Q-1, R-4, S-3

Oct/Nov 2018

45. According to Mark J. Pastin, ethical organizations display certain specific ground rules. Consider the following statements:
I. They emphasize that the other persons' interests count as much as their own.
II. Individuals assume personal responsibility for actions rather than relying on collective responsibility.
III. They possess highly minimized hierarchical tiers, meaning clear communication channels.
Which of the following combinations is correct?
(A) Only I and II
(B) All I, II, and III
(C) Only II and III
(D) Only I and III

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May/June 2007

46. Which of the following most appropriately captures the core premise of Aristotle's Virtue Theory?
(A) Ethics determined by the consequences and net utility of a specific action.
(B) Ethics stemming from the integrity of character through virtuous habits.
(C) Ethics defined by adherence to unconditional duties and imperatives.
(D) Ethics relative to the codified laws and mandates of a particular region.

Oct/Nov 2025

47. Consider the following statements regarding Legal and Ethical Responsibilities in Carroll's model:
I. Legal responsibility represents society's views of codified ethics defined by legislators.
II. Ethical responsibility only encompasses practices that are explicitly written down in the law.
Which of the following combinations is correct?
(A) Only Statement I is correct.
(B) Only Statement II is correct.

competitive market.
(D) It includes activities like product and service donations, and volunteerism by employees.

May/June 2010

22. The term 'ethics' is derived from the word 'ethos', which originates from which language?
(A) Greek
(B) Latin
(C) French
(D) German

Oct/Nov 2024

23. While dealing with corruption, how does the role of business ethics differ conceptually from law enforcement?
(A) Business ethics is remedial, whereas law enforcement is the first line of defence.
(B) Business ethics and law enforcement are both strictly reactive mechanisms.
(C) Business ethics is codified into law, whereas law enforcement relies on voluntary acceptance.
(D) Business ethics is the first line of defence, whereas law enforcement is remedial and reactive.

May/June 2017

24. Which of the following is an incorrect statement regarding the mandated tax provisions for Corporate Social Responsibility under Indian law?
(A) An explanation was inserted in the Income Tax Act stipulating that any expenditure incurred on CSR shall not be deemed as expenditure incurred for business purposes.
(B) Spending on contributions to the Prime Minister's Relief Fund already enjoys exemptions under different sections of the Income Tax Act.
(C) Deduction under Section 80G is not permissible if the sum spent by the assessee on the Swachha Bharat Kosh is in pursuance of CSR.
(D) The Ministry of Corporate Affairs clarified that a blanket, specific tax exemption has been extended to all expenditures incurred on CSR activities.

Oct/Nov 2005

25. Which of the following statements correctly reflects the role of the Board of Directors in major best practices for corporate governance?
(A) The Board's role ends entirely with ensuring compliance with laid-down rules and regulations.
(B) The Board must balance its compliance role with the performance aspects of the organization.
(C) The Board should primarily comprise executive management members to ensure efficient strategy formulation.
(D) The Board should delegate all strategic leadership and risk tolerance development exclusively to the CEO.

May/June 2020

26. Which of the following refers to the set of rules, controls, policies, and resolutions evolved by organizations and put in place to dictate corporate objectives?
(A) Business Ethics
(B) Corporate Philanthropy
(C) Corporate Social Responsibility
(D) Corporate Governance

Oct/Nov 2015

27. All of the following are identified as vital areas where organizations need to practice business ethics, except:
(A) Exploitation of existing market monopolies
(B) Inter-personal & Organisational Loyalty
(C) Technology Ethics
(D) Personal responsibility

May/June 2013

28. Under which specific section of the Income Tax Act did Parliament legislate that Corporate Social Responsibility expenses would not be eligible for deduction, as they are not 'wholly and exclusively' in the nature of business expenses?
(A) Section 37
(B) Section 30
(C) Section 80G
(D) Section 35AC

Oct/Nov 2021

29. Which of the following is an incorrect statement regarding the limitations of John Stuart Mill's Utilitarian theory?
(A) Measurement of utility is a psychological

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the right direction to determine success.
4. The mechanism through which the company's aims are achieved.

(A) P-1, Q-2, R-4, S-3
(B) P-3, Q-4, R-1, S-2
(C) P-2, Q-1, R-4, S-3
(D) P-4, Q-3, R-2, S-1

May/June 2018

54. Consider the following statements regarding the roles of the Chairperson and CEO in Corporate Governance:
I. The Chairperson leads the Board and ensures that the board acts in the company's long-term best interests.
II. The CEO develops and implements business strategy, leads management, and reports to the Board.

Which of the following combinations is correct?
(A) Only Statement I is correct.
(B) Only Statement II is correct.
(C) Both Statements I and II are correct.
(D) Neither Statement I nor II is correct.

Oct/Nov 2016

55. In Aristotle's Virtue Theory, human souls are divided into different categories based on their activities. Identify the correct pair of the type of soul and its governing function.
(A) Sensitive soul — Governs locomotion and instinct
(B) Nutritive soul — Governs thought and rationality
(C) Rational soul — Governs growth and nutrition
(D) Nutritive soul — Governs locomotion and instinct

May/June 2014

56. In Carroll's four-part model of Corporate Social Responsibility, how are the different layers categorized based on society's viewpoint?
(A) Economic is "required", Legal is "required", Ethical is "expected", Philanthropic is "expected/desired".
(B) Economic is "expected", Legal is "desired", Ethical is "required", Philanthropic is "required".
(C) Economic is "desired", Legal is "expected", Ethical is "required", Philanthropic is "required".
(D) Economic is "expected", Legal is "expected", Ethical is "expected", Philanthropic is "expected".

Oct/Nov 2007

57. Consider the following statements regarding the characteristics of Business Ethics:
I. It instills healthy competition by ensuring organizations do not aim at creating a monopoly by exploiting others.
II. It monitors business malpractices like adulteration, black marketing, and improper weights.
III. It enforces compliance forcefully through statutory law and police action rather than voluntary acceptance.

Which of the following combinations is correct?
(A) Only II and III
(B) Only I and II
(C) Only I and III
(D) All I, II, and III

May/June 2025

58. Match the items in List I with those in List II.
List I: (Theory of Business Ethics)
P. John Stuart Mill's Theory
Q. Immanuel Kant's Theory
R. Aristotle's Theory
S. Mark J. Pastin's Framework
List II: (Core Ideology)
1. The supreme good is an activity of the rational soul in accordance with excellence.
2. Actions are right in proportion as they tend to promote happiness (Ethics of Welfare).
3. Evaluates the ground rules of ethical organizations regarding fairness and purpose.
4. Action has moral worth only when it is done from a sense of unconditional duty.

(A) P-2, Q-4, R-1, S-3
(B) P-4, Q-2, R-3, S-1
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2019

59. Consider the following statements regarding the transformation of the Human Resource function and organizational excellence:
I. Success of a business is judged not only by its revenue but also by its social contribution, benchmarked by the 'Triple Bottom Line'.
II. HR professionals are not required to possess knowledge on business and governance,

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8. (B) Business ethics ensures that businesses work for the welfare of all stakeholders, focusing on long-term survival.
Business ethics serves as a moral framework that guides organizations to operate in the interest of all stakeholders. It promotes fair practices and discourages malpractices like black marketing or monopolies. By adhering to these ethical principles, businesses can build trust and ensure their long-term survival. This approach balances the pursuit of profit with the welfare of employees, customers, and society.

9. (B) Intellectuals like Prof. Robert Dahl strongly supported the highly materialistic view that businesses should leave social functions entirely to the government.
Professor Robert Dahl did not support the view that businesses should focus exclusively on economic functions and ignore social responsibilities. In contrast to materialistic perspectives, many scholars argued that organizations have a moral obligation to society. This evolution led to the understanding that social responsibility is an inherent feature of modern organizations. Businesses are expected to give back to the communities.

10. (C) Section 135
Section 135 of the Companies Act 2013 made India the first country to mandate and quantify corporate social responsibility expenditure. It requires companies meeting specific financial thresholds to spend at least two percent of their average net profits on social development projects. This legislative move shifted CSR from a voluntary philanthropic activity to a mandatory requirement. It ensures that large corporations contribute.

11. (D) Lack of documentation to maintain operational secrecy
Good corporate governance relies on transparency and the thorough documentation of policies and procedures rather than operational secrecy. Basic principles include accountability of leadership, responsiveness to stakeholders, and equitable decision-making processes. Maintaining clear records ensures that the Board of Directors can be held accountable. Operational secrecy is generally considered an exception and a hindrance to robust governance and stakeholder trust.

12. (C) Wealth created from society has to be ploughed back into society.
Mahatma Gandhi's concept of trusteeship suggests that business owners act as trustees of the public's wealth. He believed that since businesses derive their resources and profits from society, they have a moral obligation to return that wealth through welfare initiatives. This philosophy serves as the foundational root for the modern approach to social responsibility. It emphasizes that capital is for public good.

13. (A) Standards and practices expected by society despite not being codified into law.
Ethical responsibilities represent the norms and expectations of stakeholders that have not yet been formally legislated. While legal responsibilities are codified rules, ethical responsibilities involve doing what is right beyond mere compliance. Organizations are expected to respect the spirit of the law and avoid harm. This reflects the evolving moral standards and values of society that define fair business practices.

14. (C) The System
The system of public governance and the legal framework are considered the most decisive factors in shaping the ethical climate of business. While individual values and social norms are important, the system provides the external structure for ethical behavior. Challenges in public governance represent the primary areas where the corporate world faces ethical hurdles. Effective systems ensure that corporate governance can flourish.

15. (D) They mandate that responsibility is a collective phenomenon rather than an individual one.
Mark J. Pastin identifies that in ethical organizations, individuals assume personal responsibility for their actions rather than hiding behind collective anonymity. These organizations prioritize fairness, purpose, and open communication with stakeholders. By emphasizing individual accountability, they ensure that ethical standards are maintained at all levels. Individuals are made conscious of

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Reason (R): An ethic that may be good or moral in one country may be treated as prohibited in other countries, varying from business to business.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2020

66. A financial institution sets up a secure, anonymous portal for employees to report non-compliance with laws and internal policies without fear of recrimination. This initiative is a direct implementation of which best practice for corporate governance?

(A) Emphasizing on maintaining integrity and ethical dealings (Whistleblower policy)
(B) Defining roles of the Chairperson and CEO unambiguously
(C) Providing necessary factual information to the Directors
(D) Building a robust Board of Directors with independent members

Oct/Nov 2015

67. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).

Assertion (A): In today's world, the success of any business is judged solely by its revenue and profit maximization.

Reason (R): Organizational excellence is benchmarked on the basis of the 'Triple Bottom Line' - Profit, Planet, and People.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2013

68. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).

Assertion (A): The Indian Corporate sector laid more emphasis on imbibing ethics and values following large corporate scandals like the Harshad Mehta scam.

Reason (R): Globalization measures ushered by the Government of India have insulated the domestic market from global ethical standards.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2021

69. An employee at a multinational bank vents frustrations about an internal department policy on their public Twitter account, inadvertently disclosing customer processing routines. This action directly violates which specific area of business ethics outlined for modern organizations?

(A) Technology Ethics
(B) Corporate Social Responsibility
(C) Economic Responsibility
(D) Healthy Competition

May/June 2024

70. Consider the following statements regarding the mandated CSR provisions under Indian Law:

I. India emerged as the first country to mandate and quantify CSR expenditure under Section 135 of the Companies Act 2013.
II. Schedule VII places the community at the heart of all the CSR activities.
III. The mandate requires spending 2% of the average net profits of the immediately preceding three years.
IV. The objective of the income tax explanation was to ensure the government fully subsidizes CSR expenditure.
V. Deductions under section 80G for Clean Ganga Fund are not permissible if the amount is spent in pursuance of CSR.

Which of the following statement(s) is/are correct?

(A) Only I, II, III, and IV
(B) Only I, III, IV, and V
(C) Only I, II, III, and V

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as SHRM exclusively deals with payroll processing.

Which of the following combinations is correct?

(A) Only Statement I is correct.
(B) Only Statement II is correct.
(C) Both Statements I and II are correct.
(D) Neither Statement I nor II is correct.

May/June 2009

60. Match the items in List I with those in List II.

List I: (Indian Corporate)

P. The Godrej Group
Q. Infosys Foundation
R. MRF Tyre
S. ITC Ltd.

List II: (Specific CSR Activity)

1. Promotion of sports activities, especially cricket.
2. Focus on environment and conservation.
3. Rural development especially in areas of agriculture, culture, sports and pollution control.
4. Provides assistance to social development, art and culture, schools, libraries.

(A) P-4, Q-2, R-3, S-1
(B) P-2, Q-4, R-1, S-3
(C) P-1, Q-3, R-2, S-4
(D) P-3, Q-1, R-4, S-2

Oct/Nov 2011

61. Consider the following statements regarding the basic principles of Corporate Governance that a Board of Directors must adhere to:

I. Accountability of Leadership
II. Consensus-oriented decision-making
III. Complete opaqueness of Governance Policies
IV. Equitable and Inclusive practices
V. Documentation of Policies and Procedures

Which of the following statement(s) is/are correct?

(A) Only I, III, IV, and V
(B) Only II, III, IV, and V
(C) All I, II, III, IV, and V
(D) Only I, II, IV, and V

May/June 2010

62. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).

Assertion (A): In the future, Indian corporate sectors will view CSR as a critical tool for building a competitive edge.

Reason (R): A company can fall back in difficult times on the good reputation built through CSR to remain in a positive light.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2024

63. Consider the following statements regarding the 'Economic Responsibility' in Carroll's model:

I. It is considered a baseline requirement that must be met in a competitive business world.
II. It aims to generate profits without considering the overall effects on society.
III. Firms that are not successful in this sphere go out of business, rendering other responsibilities moot.
IV. Adopting manufacturing processes to use recycled products to lower material costs is an example of economic responsibility.

Which of the following combinations is correct?

(A) Only I, II, and III
(B) Only II, III, and IV
(C) All I, II, III, and IV
(D) Only I, III, and IV

May/June 2017

64. During an interview, a bank's hiring committee prioritizes candidates who demonstrably display habits of prudence, temperance, courage, and justice in their previous roles, rather than merely evaluating their technical output. This hiring strategy aligns best with which philosophical framework?

(A) Immanuel Kant's Categorical Imperative
(B) Consequentialism
(C) Aristotle's Virtue Theory
(D) Carroll's CSR Pyramid

Oct/Nov 2005

65. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).

Assertion (A): Business ethics is considered a relative concept.

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Oct/Nov 2012

77. A branch manager approves a loan for a local community project that slightly deviates from standard risk protocols, arguing that the project will generate massive long-term utility and happiness for a large number of people in the area. The manager's reasoning relies predominantly on which ethical theory?
(A) Aristotle's Virtue Theory
(B) Kant's Deontological Theory
(C) The Gandhian Trusteeship model
(D) John Stuart Mill's Utilitarian Theory

May/June 2011

78. Consider the following statements regarding the competitive advantages brought by a properly implemented Corporate Social Responsibility (CSR) concept:
I. Improved financial performance and operational cost savings
II. Enhanced brand image and reputation
III. Increased sales volumes and customer loyalty
IV. Heightened regulatory oversight and scrutiny
V. Ability to attract and retain key talents
Which of the following statement(s) is/are correct?
(A) Only I, II, III, and IV
(B) Only I, II, III, and V
(C) Only II, III, IV, and V
(D) All I, II, III, IV, and V

Oct/Nov 2020

79. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).
Assertion (A): The 'Multi-stakeholder Approach' to CSR in India has traditionally placed an equal and holistic emphasis on both internal and external stakeholders.
Reason (R): Historical implementation of CSR in India has predominantly confined such approaches to outside stakeholders, with limited focus on internal employees.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2022

80. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).
Assertion (A): The governance of risk is purely an operational function and does not fall under the purview of the Board of Directors.
Reason (R): Organizations should regularly identify and assess financial, operational, and reputational risks.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2009

81. A company's Board of Directors reviews its industry-related and environmental risks, subsequently developing a clear pattern of accountability for management to mitigate these risks. This action recognizes that governance of risk is fundamentally the responsibility of:
(A) The Compliance Officers
(B) The Internal Audit Team
(C) The Board of Directors
(D) The Shareholders

May/June 2016

82. Consider the following statements regarding the differences between Ethics and Values:
I. Ethics is a generalized value system.
II. Values are personal in nature.
III. Ethics determine what is right or wrong.
IV. Values judge as to what is desirable or undesirable.
V. Ethics motivate the individual to judge between good and bad, whereas values constrain individuals.
Which of the following combinations represents the CORRECT statements?
(A) Only I, II, III, and IV
(B) Only I, II, IV, and V
(C) Only II, III, IV, and V
(D) All I, II, III, IV, and V

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(D) All I, II, III, IV, and V

Oct/Nov 2008

71. An organization decides to move away from ad-hoc charitable donations and instead redesigns its entire supply chain to use eco-friendly materials, ensuring fair labor practices for all its vendors. This shift represents a move from mere philanthropy to:
(A) Integrating CSR into the core operations of the company
(B) Maximizing unregulated monopolies
(C) Deontological cost-benefit analysis
(D) Bypassing the mandated provisions of the Companies Act

May/June 2006

72. Under Section 135 of the Companies Act 2013, which of the following financial thresholds mandate a company to spend on CSR activities?
I. Net worth of ₹500 crore or more.
II. Turnover of ₹1,000 crore or more.
III. Net profit of ₹5 crore or more during the immediately preceding financial year.
IV. Spending 5% of the average net profits of the immediately preceding five years.
Which of the following combinations is correct?
(A) Only I, III, and IV
(B) Only II, III, and IV
(C) Only I, II, and III
(D) All I, II, III, and IV

Oct/Nov 2017

73. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).
Assertion (A): Small and medium-sized companies should not take any responsibility for Corporate Social Responsibility.
Reason (R): CSR is a broader ethical commitment to society that is encouraged for all businesses, regardless of whether they meet the statutory thresholds.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2008

74. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).
Assertion (A): John Stuart Mill's Utilitarian theory provides an easily quantifiable mathematical standard to resolve all moral conflicts in business.
Reason (R): Utility is a psychological concept, highly subjective, making intractability to measurement a significant limitation of the theory.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2013

75. The Board of Directors of a bank evaluates a failing internal audit system. They determine that the staff understands the goals (Purpose) and is highly skilled (People), and the outcomes are regularly checked (Performance), but the actual mechanism linking the aims to the outcomes is flawed. According to the 4 Ps of Corporate Governance, which element requires restructuring?
(A) People
(B) Purpose
(C) Performance
(D) Process

May/June 2015

76. Consider the following statements regarding the transformation of the Human Resource function and organizational excellence:
I. Success of a business is judged not only by its revenue but also by its social contribution, benchmarked by the 'Triple Bottom Line'.
II. HR professionals are not required to possess knowledge on business and governance, as SHRM exclusively deals with payroll processing.
Which of the following combinations is correct?
(A) Only Statement I is correct.
(B) Only Statement II is correct.
(C) Both Statements I and II is correct.
(D) Neither Statement I nor II is correct.

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no specific blanket tax exemption has been extended to CSR expenditure.

Which of the following combinations represents the CORRECT statements?

(A) Only I, II, III, and IV
(B) Only I, III, IV, and V
(C) All I, II, III, IV, and V
(D) Only II, III, IV, and V

Oct/Nov 2006

89. A senior bank manager discovers a loophole in a new financial product that is technically legal but could potentially exploit vulnerable customers. Guided by an internal philosophy that dictates treating customers fairly even when not mandated by law, the manager reports the flaw. This scenario most accurately illustrates the application of:

(A) Morals, as it reflects a religious convention or traditional custom.
(B) Ethics, as it involves deliberate reasoning about stakeholder interests.
(C) Philanthropy, as it is a voluntary donation of profit to the customer.
(D) Utilitarianism, as the manager calculated the exact cost of the product.

May/June 2021

90. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).

Assertion (A): A robust and healthy economic and business environment created by public governance is essential for good Corporate Governance in any country.

Reason (R): There cannot be good corporate governance if the public governance of a country is weak or bad.

(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

Oct/Nov 2010

91. A medium-sized enterprise, not legally mandated to spend on CSR, decides to dedicate a small portion of its profits to local rural development. The primary strategic justification for this voluntary action, moving forward, is to:

(A) Exploit regulatory oversights to bypass future taxation.
(B) Adopt a holistic approach, build reputation, and gain a competitive edge.
(C) Challenge the government's monopoly on public infrastructure.
(D) Shift the focus completely away from its internal stakeholders.

May/June 2023

92. A prominent family-run business donates 5% of its annual earnings to a local community trust to build hospitals and schools. This voluntary discretionary activity is classified in Carroll's CSR pyramid as:

(A) Economic Responsibility
(B) Legal Responsibility
(C) Philanthropic Responsibility
(D) Mandatory Compliance

Oct/Nov 2022

93. A manufacturing firm operates highly profitably but continuously fails to meet the minimum pollution control guidelines set by the national environmental agency. According to Carroll's CSR Pyramid, which foundational level is the firm currently violating?

(A) Economic Responsibility
(B) Ethical Responsibility
(C) Philanthropic Responsibility
(D) Legal Responsibility

May/June 2018

94. A corporate compliance officer faces a dilemma: reporting a minor internal breach will strictly follow the company's code (duty), but hiding it will prevent a massive, unjustified panic that could crash the company's stock, preserving stakeholder happiness. If the officer chooses to report the breach regardless of the stock crash, which theory are they applying?

(A) Utilitarianism
(B) Teleological Ethics
(C) Deontological Ethics
(D) The Triple Bottom Line

Oct/Nov 2016

95. XYZ Corporation attempts to claim a standard business expenditure deduction under Section 37 of the Income Tax Act for ₹50 Lakhs spent

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exclusively on building a community park as part of its mandatory CSR. What will be the tax treatment according to the legislative amendments?
(A) It is not deemed as a business expenditure under current legislative amendments.
(B) It is fully allowed as it directly subsidizes the government's public social efforts.
(C) It is allowed only up to one-third of the total amount spent on the park project.
(D) It is automatically eligible for a total tax deduction under the Section 80G code.

May/June 2014

96. A global tech company provides its employees with free meals, micro kitchens, and highly supportive working conditions that exceed the basic statutory requirements. In Carroll's model, this focus on fair and enhanced working conditions is best classified under:
(A) Economic Responsibility
(B) Ethical Responsibility
(C) Legal Responsibility
(D) Codified Ethics

Oct/Nov 2007

97. A newly appointed CEO of a bank announces that success will no longer be measured merely by dividends paid to shareholders, but equally by the bank's carbon footprint reduction and community financial literacy programs. This aligns exactly with which benchmark of organizational excellence?
(A) The Triple Bottom Line
(B) The Deontological Imperative
(C) The Utilitarian Maxim
(D) The Philanthropic Exemption

May/June 2025

98. A state government partners with a leading private infrastructure company to develop drinking water and sanitation facilities in remote villages. The company provides skilled human resources and capital, while the government provides administrative support. This mutually beneficial approach is known as:
(A) Utilitarian Integration
(B) Public Private Participation (PPP)
(C) Gandhian Trusteeship
(D) Consequential Philanthropy

Oct/Nov 2019

99. ABC Ltd. has a net worth of ₹600 crore and an average net profit of ₹10 crore over the immediately preceding three years. According to Section 135 of the Companies Act 2013, what is the minimum mandated amount ABC Ltd. must spend on CSR activities?
(A) ₹10 Lakhs (1% of ₹10 crore)
(B) ₹50 Lakhs (5% of ₹10 crore)
(C) The company is exempt as its net profit is below ₹5 crore
(D) ₹20 Lakhs (2% of ₹10 crore)

May/June 2009

100. A senior manager continuously practices being honest and generous in minor daily decisions, believing that these deeply rooted habits will naturally lead to making the right choice when a major ethical crisis arises. This character-based approach is the core of:
(A) John Stuart Mill's Theory
(B) Immanuel Kant's Theory
(C) Mark J. Pastin's ground rules
(D) Aristotle's Virtue Theory

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ANSWERS

1. (D) Mark J. Pastin
Mark J. Pastin is the author of this work which explores the complexities of organizational ethics. He argues that ethical organizations are characterized by their ability to engage with diverse stakeholders and their commitment to fairness. This book provides a framework for managers to navigate difficult ethical dilemmas. The content focuses on ground rules that define truly ethical business cultures.

2. (C) Corporate sectors should adopt a Multi-stakeholder Approach for internal and external stakeholders.
The future of corporate social responsibility in India emphasizes a comprehensive multi-stakeholder approach. This strategy moves beyond traditional philanthropy by integrating social concerns into the core business strategy. By balancing the interests of internal employees and external communities, corporations can build a sustainable reputation. This helps companies secure a competitive advantage while contributing meaningfully to the broader social and environmental landscape.

3. (C) Deontological Theory
Deontological theory, primarily associated with Immanuel Kant, posits that morality is based on duty and universal principles. The categorical imperative suggests that individuals should act only according to rules that they would want to become universal laws. This approach focuses on the inherent rightness of actions rather than their consequences. It emphasizes that ethical conduct is rooted in rational, unconditional duty.

4. (C) The PPP model dictates that the government can and should accomplish all severe social and environmental challenges entirely on its own.
Public Private Participation models acknowledge that neither the government nor the private sector can solve complex social challenges in isolation. Instead, these entities collaborate to combine administrative support with corporate capital and technical expertise. This synergy enhances the efficiency of public spending and ensures more effective implementation of large-scale projects. The model relies on the mutual sharing of specialized knowledge.

5. (B) What should be, reaching conclusions about moral rights and wrong.
Normative ethics is a branch of moral philosophy that aims to establish standards for right and wrong conduct. Unlike descriptive studies that analyze how people actually behave, normative theories prescribe how individuals and organizations should act. They provide the moral frameworks and guidelines necessary for evaluating business decisions. These theories help determine the ethical obligations of various participants in industry.

6. (B) Recognizing that governance of risk is solely the responsibility of middle management, exempting the Board of Directors.
Effective corporate governance requires the Board of Directors to take ultimate responsibility for risk management. Boards must identify and assess financial, operational, and reputational risks to protect stakeholder interests. This oversight ensures that the organization maintains a clear pattern of accountability. Delegating this responsibility entirely to middle management is considered a failure in the best practices of modern corporate oversight.

7. (B) Profit, Planet, and People
The Triple Bottom Line is a sustainability framework that evaluates a company's performance across three dimensions: economic, environmental, and social. It shifts the focus from purely financial profit to include the organization's impact on the environment and its social contributions. This holistic approach is used as a benchmark for achieving organizational excellence. It encourages businesses to pursue long-term sustainability and social welfare.

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Oct/Nov 2023

83. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).
Assertion (A): In today's world, the success of any business is judged solely by its revenue and profit maximization.
Reason (R): Organizational excellence is benchmarked on the basis of the 'Triple Bottom Line' - Profit, Planet, and People.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2012

84. A junior executive notices that the CEO receives preferential treatment regarding travel expense reimbursements, bypassing the strict audit rules applied to entry-level employees. When the executive raises this, the HR department rectifies the discrepancy. The HR's action upholds which specific business ethic?
(A) Mutual Respect
(B) Environmental Responsibility
(C) Fairness
(D) Philanthropic Responsibility

Oct/Nov 2018

85. In the following question, a statement of Assertion (A) is followed by a statement of Reason (R).
Assertion (A): In Carroll's CSR Pyramid, the difference between legal and ethical expectations can sometimes be difficult to determine.
Reason (R): Laws are based on ethical premises, but ethics goes beyond compliance and involves responding to the spirit of the law.
(A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
(B) Both Assertion (A) and Reason (R) are true, but Reason (R) is not the correct explanation of Assertion (A).
(C) Assertion (A) is true, but Reason (R) is false.
(D) Assertion (A) is false, but Reason (R) is true.

May/June 2007

86. Consider the following statements regarding the Income Tax Act provisions related to CSR in India:
I. Section 37 was amended to stipulate that any expenditure incurred on CSR shall not be deemed as business expenditure.
II. Section 80G clearly allows unrestricted deductions for Swachha Bharat Kosh even if the sum is in pursuance of CSR.
III. Certain CSR activities like contributions to the Prime Minister's Relief Fund already enjoy exemptions under different sections.
IV. Deduction may be claimed under Section 35AC if stipulated conditions regarding the nature of the expense are satisfied.
Which of the following combinations is correct?
(A) Only I, III, and IV
(B) Only I, II, and III
(C) Only II, III, and IV
(D) All I, II, III, and IV

Oct/Nov 2025

87. An employee commits a critical compliance error. Instead of the department facing a collective penalty, the organization's ground rules dictate that the individual must assume personal responsibility for their own deeds, and the company views this intervention as serving its ultimate purpose. This organizational behavior is a characteristic defined by:
(A) Milton Friedman
(B) Mark J. Pastin
(C) Adam Smith
(D) Archie Carroll

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May/June 2019

88. Consider the following statements regarding activities and their tax treatments in the context of CSR in India:
I. Direct CSR expenditure is explicitly allowed as a deduction under Section 37 of the Income Tax Act.
II. Contributions to the Prime Minister's Relief Fund enjoy tax exemptions.
III. Scientific research and rural development projects may enjoy exemptions under specific sections.
IV. Expenditure in the nature of CSR might be claimed under Section 35AC if stipulated conditions are met.
V. Ministry of Corporate Affairs clarified that

the moral implications of their professional and personal business decisions.

16. (A) Business Ethics
Business ethics involves the systematic study of moral issues and decisions that arise within a commercial context. It examines the application of ethical principles to business activities, ranging from individual conduct to organizational policies. This field provides a framework for addressing dilemmas where issues of right and wrong intersect with profit. It guides organizations in maintaining integrity while pursuing their corporate objectives.

17. (A) It is a consequentialist theory where ethical decisions are made based exclusively on the outcomes of an action.
Immanuel Kant's deontological theory is explicitly non-consequentialist, meaning it focuses on the inherent duty and the nature of the action itself. Kant argued that morality is based on reason and that individuals must act according to universal imperatives. This framework emphasizes respect for human dignity and rights. Morality is determined by the intent and the principle behind the chosen action.

18. (A) The workforce and their families as well as the local community and society at large
The World Business Council for Sustainable Development defines corporate social responsibility as a commitment to economic development and improving quality of life. This definition emphasizes that businesses should look beyond immediate financial interests to include the workforce and the local community. By supporting these groups, organizations contribute to sustainable development. This approach helps companies maintain their social license to operate effectively.

19. (D) It involves putting the interest of the company above that of one's own personal interest in all transactions.
Many Indian corporate leaders define ethical behavior as the prioritization of organizational interests over personal gain. This philosophy requires individuals to overcome greed and act in ways that build stakeholder trust and confidence. By aligning personal actions with company standards, employees contribute to a culture of integrity. This ensures sustainable growth and protects the reputation of the organization in competitive markets.

20. (A) Ethics is a moral philosophy combining morals and reasoning, while morals are mostly guided by culture.
Ethics is viewed as a systematic moral philosophy that uses reasoning to determine right action, whereas morals are typically derived from culture. While morals provide the basic rules for conduct, ethics involves the critical deliberation of these rules. Ethics allows for individual free will and rational decision-making. Morals tend to constrain behavior based on traditional social or religious values and customs.

21. (C) It is a baseline requirement that determines if a firm will go out of business in a competitive market.
Philanthropic responsibility resides at the top of Carroll's pyramid and consists of voluntary activities not mandated by law. Unlike economic responsibility, which is the baseline requirement for survival, philanthropy is discretionary. It includes actions such as donations and community volunteering, reflecting a desire to contribute positively. Firms are not forced into these activities but choose them to support the local society.

22. (A) Greek
The term ethics is derived from the Greek word 'ethos', which refers to character, custom, or habit. This etymological root highlights the focus of ethics on the underlying character of individuals and social behavior. In a business context, it relates to organizational culture and the standards of conduct that define the moral identity of the firm. It emphasizes human reason.

23. (D) Business ethics is the first line of defence, whereas law enforcement is remedial and reactive.
Business ethics acts as a proactive, first line of defense by instilling values that prevent corrupt practices before they occur. In contrast, law enforcement is generally reactive and remedial, intervening only after a legal violation has been detected. By fostering an ethical culture, organizations reduce the need for external

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among local customers and employees. Social responsibility becomes a tool for long-term growth and success.

92. (C) Philanthropic Responsibility
Voluntary donations to community trusts for building schools and hospitals are classified as philanthropic responsibilities. These are discretionary activities that go beyond what is required by law or expected by ethics. By engaging in philanthropy, a business demonstrates a desire to be a good corporate citizen. Such actions are not mandatory for economic survival but reflect a commitment to society.

93. (D) Legal Responsibility
Failing to meet minimum pollution control guidelines is a violation of legal responsibility, which is the second level of Carroll's CSR pyramid. Society requires businesses to follow the laws and regulations established by the government. Even if a firm is highly profitable, it must still comply with the rules of the game. Legal compliance is a non-negotiable requirement for organizational legitimacy.

94. (C) Deontological Ethics
Choosing to report a breach because it is a duty, despite potential negative consequences like a stock crash, is an application of deontological ethics. This framework argues that the morality of an action is based on adherence to rules or duties rather than outcomes. By prioritizing the principle of truthfulness, the officer is following a duty-based approach. Morality is based on reason.

95. (A) It is not deemed as a business expenditure under current legislative amendments.
According to the legislative amendments to Section 37 of the Income Tax Act, expenditure incurred on mandatory CSR activities is not considered a business expense. Therefore, the corporation cannot claim the amount spent on the park as a standard deduction. This rule ensures that CSR is funded from corporate profits after they have been earned. It is an application of profit.

96. (B) Ethical Responsibility
Providing supportive working conditions that exceed statutory requirements is a form of ethical responsibility. While the law mandates minimum standards, ethical responsibility involves doing more to ensure fair treatment. This focus on employee welfare reflects the organization's commitment to moral values and the spirit of fairness. These are expected by society even if not explicitly required by any legal mandate.

97. (A) The Triple Bottom Line
Measuring success by combining financial performance with environmental impact and social contribution is the essence of the Triple Bottom Line. This framework encourages organizations to focus on Profit, Planet, and People. It serves as a comprehensive benchmark for achieving organizational excellence. It ensures that the company's growth is sustainable and beneficial to all its stakeholders in the long term.

98. (B) Public Private Participation (PPP)
The Public Private Participation model involves collaboration between the government and the private sector to deliver services. The company provides expertise and capital, while the government provides administrative support. This synergy allows for more efficient implementation of large-scale social projects, such as sanitation and water facilities. It benefits the community through combined resources. This approach is mutually beneficial.

99. (D) ₹20 Lakhs (2% of ₹10 crore)
Under Section 135, companies meeting the financial thresholds must spend at least 2% of their average net profit of the preceding three years on CSR. For a company with an average profit of ₹10 crore, the mandated spend is ₹20 Lakhs. This requirement ensures that large and profitable companies contribute a defined portion of their earnings to social development projects.

100. (D) Aristotle's Virtue Theory
Focusing on developing rooted habits of honesty and generosity is the core of Aristotle's Virtue Theory. This approach emphasizes that moral excellence comes from the practice of virtues over time. Instead of relying on a set of external rules, the individual acts ethically because it has become part of their character. Excellence is an activity of the rational soul.

32. (B) Ethics — Constrain and hold back the individuals from acting
Ethics is generally viewed as a proactive reasoning process that encourages individuals to choose the right action through free will. In contrast, morals are often described as cultural or religious constraints that limit the scope of human deliberation. Ethics involves using reason to justify moral principles. It motivates individuals to act according to rational judgment rather than merely restricting their behavior.

33. (B) The challenge of public governance and the modification of specific laws.
'The System' is considered the most decisive factor because the quality of public governance and the legal framework directly influence organizational behavior. If the external system is weak or corrupt, it is significantly harder for individual businesses to maintain high ethical standards. Effective public governance provides the necessary environment for corporate governance to flourish. Modification of specific laws remains the primary challenge.

34. (B) Only Statement II is correct.
Statement II is correct because Indian law specifies that deductions under Section 80G are not allowed for contributions like Swachha Bharat Kosh if they are part of mandated CSR. Statement I is incorrect because CSR expenditure is specifically disallowed as a business deduction under Section 37. These provisions ensure that mandated CSR spending is treated as an application of profit.

35. (A) P-2, Q-4, R-1, S-3
Economic responsibility relates to sustaining business through profit. Legal responsibility involves operating according to government requirements. Ethical responsibility means following the spirit of the law and providing fair conditions. Philanthropic responsibility covers voluntary giving, such as nonprofit sponsorship. This alignment reflects how Carroll's model categorizes corporate duties from foundational financial survival to discretionary social contributions. These layers build upon each other in a structured pyramid.

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36. (A) Only I and III
Putting the company's interest above personal gain includes thinking strategically to overcome greed and enhancing the trust of stakeholders. Statement II is incorrect because ethical behavior involves following the spirit of the law at all times, not just when being monitored. Strategic thinking and building stakeholder confidence are essential components of an ethical corporate culture. This approach prioritizes long-term organizational health.

37. (A) Technology Ethics
Technology ethics addresses the moral issues arising from the use of digital tools and communication channels. As organizations increasingly utilize social media, they must develop transparent policies to manage information responsibly. This area of ethics ensures that technological advancements are used in a way that respects privacy. It maintains transparency and avoids harm to stakeholders, reflecting the organization's modern ethical standards.

38. (D) P-2, Q-4, R-3, S-1
Section 135 mandates the two percent CSR spend for specific companies. Schedule VII lists eligible CSR activities that can be undertaken. Section 37 of the Income Tax Act stipulates that CSR is not a business expenditure. Section 80G disallows deductions for specific funds if spent as CSR. These legal mappings define the regulatory framework for corporate social responsibility in India.

39. (A) Only Statement I is correct.
Statement I correctly reflects Kant's view that an action is right only if it can be willed as a universal law. Statement II is incorrect because Kant's second formulation of the categorical imperative mandates that human beings should always be treated as ends. This emphasizes the inherent dignity and rights of every individual. Moral worth is determined by reason and duty.

40. (D) P-2, Q-4, R-3, S-1
Personal responsibility involves acting with diligence and humility. Corporate responsibility refers to the organization's moral and contractual obligations. Mutual respect involves keeping promises to clients and valuing employees.

Transparency and trustworthiness focus on honesty in reporting to encourage business. These areas together form a comprehensive framework for ethical conduct within any modern professional business environment. They guide both individual and organizational interactions.

41. (D) Only II and III
The future of CSR in India involves corporations using it to build a competitive edge and the increasing popularity of the Public Private Participation model. Statement I is incorrect because a multi-stakeholder approach must include both internal and external stakeholders. This holistic view ensures that social responsibility is integrated into every aspect of the organization's strategy. It protects reputation and builds trust.

42. (C) Adopting a market approach that promotes sincere community development.
Small and medium-sized companies benefit from CSR by fostering sincere community development through a market-based approach. This helps build a positive reputation and strengthens relationships with local stakeholders. Voluntary CSR activities can create a competitive advantage and contribute to long-term sustainability. It aligns the business's growth with the welfare of society. This commitment goes beyond meeting simple statutory expenditure thresholds.

43. (B) Factual information — Providing regular board agendas, briefings, and access to independent professional advice.
A key best practice in corporate governance is ensuring that Directors have access to accurate and timely factual information. This includes providing comprehensive board agendas and briefings. Such transparency enables the Board to make informed decisions and fulfill its oversight responsibilities effectively. This is essential for maintaining the integrity and long-term performance of the business organization and protecting the interests of shareholders.

44. (D) P-2, Q-1, R-4, S-3
AMM Foundation focuses on education and medical care in rural areas. Asian Paints funded community development for farmers. BHEL contributed to rural quality of life and healthcare. Ford India established research chairs in IITs and waste recycling. These examples illustrate how diverse Indian corporations implement social responsibility initiatives. They tailor projects to their specific resources and the needs of communities.

45. (B) All I, II, and III
Mark J. Pastin's framework for ethical organizations includes emphasizing others' interests and individuals assuming personal responsibility. These organizations also feature minimized hierarchical tiers for clear communication. These ground rules foster an environment where fairness is prioritized and the organization remains connected to its environment through purpose. Together, these traits define the core of a truly ethical and responsive business organization.

46. (B) Ethics stemming from the integrity of character through virtuous habits.
Aristotle's Virtue Theory posits that ethical behavior is the result of developed character and virtuous habits. By practicing virtues like prudence and justice, individuals achieve excellence of character. In a business context, this means that an organization's ethical strength depends on the integrity of its leaders. This character-based approach focuses on being a good person rather than just following specific rules.

47. (A) Only Statement I is correct.
Statement I is correct because legal responsibility reflects the codified ethics society requires through legislation. Statement II is incorrect because ethical responsibility encompasses standards and expectations that are not necessarily written into law. Ethical behavior involves responding to the spirit of the law and doing what is right. It reflects the moral norms that society expects businesses to follow voluntarily.

48. (B) P-2, Q-1, R-3, S-4
Ethics is a moral philosophy combining morals and reasoning. Morals are guided by culture and limit deliberation. Values are personal and help judge good from bad. Business ethics is the framework of contemporary organizational standards and norms. This classification clarifies how individual beliefs, cultural traditions, and systematic reasoning combine. They form the

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ethical landscape of a professional business environment.

49. (A) Pricol Industries — Sets up research chairs in two IITs in safety and environment
The activity of setting up research chairs in two IITs for safety and environmental waste recycling is associated with Ford India Ltd. Pricol Industries is known for different social initiatives. Identifying correct corporate pairings is essential for understanding how various companies in India align their CSR projects. These projects often target specific social, educational, or environmental needs within their communities.

50. (C) P-4, Q-3, R-1, S-2
Tata Steel focuses on community development and tribal area activities. The Times India Group sets up relief funds for calamities. Thermax focuses on education initiatives. Wipro Technologies is involved in spreading quality primary education. These mappings demonstrate the specific social commitments of major Indian firms. They range from disaster relief to integrated rural development and education programs for the society.

51. (C) Only II and III
According to Carroll, legal responsibility is "required" by society, and ethical responsibility is "expected." Statement I is incorrect because economic responsibility is considered "required" rather than just expected. A business must be profitable to exist and fulfill any other obligations. This distinction highlights the different levels of pressure society places on businesses to fulfill their various social and economic roles.

52. (A) Economic responsibility, Legal responsibility, Ethical responsibility, Philanthropic responsibility
Archie Carroll's pyramid starts with economic responsibility as the foundational base. Above that is legal responsibility, then ethical responsibility, and finally philanthropic responsibility at the apex. This structure illustrates how a firm's duties evolve from basic survival to legally mandated conduct and then to moral expectations. Finally, it reaches discretionary social contributions. Each layer rests upon the fulfillment of the previous one.

53. (C) P-2, Q-1, R-4, S-3
People determine aims and evaluate outcomes within the organization. Purpose brings the company closer to its mission statement. Process is the mechanism to achieve these aims. Performance evaluates the direction for success. Together, these four elements provide a comprehensive framework for governing an organization. They ensure that the right individuals use efficient processes to achieve a purposeful mission effectively.

54. (C) Both Statements I and II are correct.
The Chairperson is responsible for leading the Board and ensuring it acts in the company's best interests. The CEO is responsible for developing business strategy and managing daily operations while reporting to the Board. Clearly defining and separating these roles is a fundamental best practice in corporate governance. It ensures proper oversight and operational efficiency while maintaining accountability to shareholders.

55. (A) Sensitive soul — Governs locomotion and instinct
In Aristotle's philosophy, the sensitive soul is responsible for movement and instinctual responses found in animals. The nutritive soul governs basic biological functions like growth and nutrition. The rational soul is unique to humans and governs thought and reason. Understanding these distinctions is central to Aristotle's virtue theory. Excellence involves the rational soul guiding human actions and developing virtuous habits.

56. (A) Economic is "required", Legal is "required", Ethical is "expected", Philanthropic is "expected/desired".
From society's perspective, both economic viability and legal compliance are mandatory requirements for any business. Ethical practices are expected norms that go beyond the law. Philanthropic activities are desired or discretionary contributions. This classification reflects the varying degrees of social obligation businesses have. It ranges from fundamental survival to voluntary acts that enhance their reputation and community standing in society.

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policing. This ensures that employees act with integrity based on internal convictions.

24. (D) The Ministry of Corporate Affairs clarified that a blanket, specific tax exemption has been extended to all expenditures incurred on CSR activities.
The Ministry of Corporate Affairs has clarified that there is no blanket tax exemption for all CSR expenditures. While certain activities, such as contributions to specific relief funds, may qualify for deductions, general CSR spending is not automatically exempt. This ensures that CSR is treated as an application of profit. It prevents the government from indirectly subsidizing mandated corporate social efforts.

25. (B) The Board must balance its compliance role with the performance aspects of the organization.
Effective corporate governance requires the Board of Directors to look beyond mere regulatory compliance and focus on organizational performance. Boards must provide strategic leadership, define risk tolerance, and ensure the company achieves long-term objectives. This balance between oversight and performance ensures the organization remains sustainable and ethical. It allows the Board to fulfill its duties to shareholders and other key stakeholders.

26. (D) Corporate Governance
Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of stakeholders, such as shareholders, management, and the community. Effective governance provides the framework for attaining company objectives. It encompasses practically every sphere of management, from internal controls and action plans to corporate disclosure and ethical standards.

27. (A) Exploitation of existing market monopolies
Business ethics discourages the exploitation of market monopolies and instead promotes healthy competition and fair market practices. Vital areas for ethical practice include personal responsibility, technological ethics, and organizational loyalty. Ethical businesses avoid practices that harm the market structure or unfairly disadvantage competitors. They focus on long-term sustainability and the welfare of all stakeholders involved in their various commercial operations.

28. (A) Section 37
Section 37 of the Income Tax Act was amended to specify that expenditures incurred on corporate social responsibility are not business expenses. Since CSR activities are not seen as being 'wholly and exclusively' for the purpose of business, they are not eligible for standard tax deductions. This clarification ensures that CSR is funded from corporate profits after they have been earned.

29. (C) The theory provides strict, inflexible rules to follow in moral decision-making regardless of the consequences.
Utilitarianism is known for its flexibility as it evaluates actions based on their consequences rather than following inflexible rules. A major limitation of the theory is the subjective nature of utility, which makes it difficult to quantify benefits accurately. It can be challenging to measure intangible factors like the value of health or life. The theory focuses on maximizing the overall happiness.

30. (D) Economic Responsibility
Economic responsibility forms the foundation of Carroll's CSR pyramid because a business must first be profitable to survive. Without financial viability, a firm cannot fulfill its legal, ethical, or philanthropic obligations. This baseline requirement ensures that the business provides goods and services while rewarding its owners. It maintains the company's presence in a competitive market environment, allowing further social contributions.

31. (B) III, I, II
The evolution of CSR in India began with a philanthropy-based and Gandhian trusteeship model. This was followed by a multi-stakeholder approach that integrated social responsibility into sustainable business strategies. Finally, the Companies Act 2013 introduced the mandated quantified expenditure model. This progression shows a shift from voluntary charity to a strategic business function and ultimately to a statutory legal requirement for large firms.

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might be prohibited in another. This variability means that organizations must be sensitive to local norms when developing their guidelines. This relative nature explains why ethical practices are not uniform across all global corporate operations.

66. (A) Emphasizing on maintaining integrity and ethical dealings (Whistleblower policy)
A secure, anonymous portal for reporting non-compliance is a key component of a whistleblower policy. This practice allows employees to report unethical behavior without fear of retaliation. Such mechanisms are essential for effective corporate governance. They ensure that potential risks and ethical breaches are identified and addressed internally. This maintains the organization's integrity and prevents minor issues from escalating into major scandals.

67. (D) Assertion (A) is false, but Reason (R) is true.
Success is no longer judged solely by profit maximization; instead, modern organizations use the 'Triple Bottom Line' as a benchmark. This framework evaluates performance based on Profit, Planet, and People. By considering environmental impact and social contribution alongside financial results, businesses achieve a more comprehensive form of excellence. Profit remains important, but it is not the only metric for success.

68. (C) Assertion (A) is true, but Reason (R) is false.
Major corporate scams did lead to an increased emphasis on ethics in India. However, globalization has integrated the domestic market with global standards rather than insulating it. As Indian companies expand, they must adhere to global governance practices to remain competitive. This integration has raised the bar for transparency and accountability. The assertion about scam impacts is correct, but the reason is factually incorrect.

69. (A) Technology Ethics
Publicly disclosing internal routines on social media violates technology ethics, which requires responsible use of digital communication channels. Organizations must have clear policies to ensure that employees protect sensitive information. This area of business ethics is crucial in the digital age. Social media actions can rapidly impact an organization's reputation and relationships. Employees must maintain professionalism across all technological platforms.

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70. (C) Only I, II, III, and V
Statements I, II, III, and V are correct regarding the 2% CSR spend mandate and the tax treatment of funds. Statement IV is incorrect because the government does not fully subsidize CSR; rather, it is funded from corporate profits. The law places the community at the heart of activities. India is a pioneer in legislating corporate social contributions through the Companies Act.

71. (A) Integrating CSR into the core operations of the company
Moving from ad-hoc donations to redesigning the supply chain for eco-friendly materials represents the integration of CSR into core operations. This strategic shift ensures that social and environmental responsibilities are embedded in daily business. Such an approach is more sustainable than sporadic charity. It aligns the firm's economic activities with broader social values and goals. This represents a modern business strategy.

72. (C) Only I, II, and III
Under Section 135, CSR is mandated for companies with a net worth of ₹500 crore, turnover of ₹1,000 crore, or net profit of ₹5 crore. Statement IV is incorrect as the requirement is to spend 2% of average net profits of the preceding three years. These financial benchmarks ensure that large corporations contribute a portion of their earnings toward social development.

73. (D) Assertion (A) is false, but Reason (R) is true.
It is incorrect to say small companies should not take CSR responsibility. While they may not meet statutory thresholds, CSR is a broader ethical commitment encouraged for all businesses. Voluntary social initiatives can help smaller firms build community trust. Practicing social responsibility is a valuable strategic and ethical choice. It contributes to the long-term success of any business regardless of its size.

74. (D) Assertion (A) is false, but Reason (R) is true.
Utilitarianism does not provide an easy mathematical standard because utility is a

57. (B) Only I and II
Business ethics promotes healthy competition by preventing monopolies and monitors malpractices like adulteration or improper weights. Statement III is incorrect because business ethics relies on voluntary acceptance and moral conviction rather than forceful statutory law. Ethical behavior is an internal commitment to doing what is right. This complements but is distinct from the external enforcement of legal mandates and police action.

58. (A) P-2, Q-4, R-1, S-3
Mill's theory focuses on promoting happiness through the ethics of welfare. Kant's theory emphasizes actions done from a sense of unconditional duty. Aristotle's theory links the supreme good to rational soul activity in accordance with excellence. Pastin's framework evaluates ground rules regarding fairness and purpose. These distinct philosophical perspectives provide various lenses through which the morality of business decisions is evaluated.

59. (A) Only Statement I is correct.
Statement I correctly identifies the 'Triple Bottom Line' as the benchmark for organizational excellence. Statement II is incorrect because modern HR professionals must understand business and governance in the context of Strategic Human Resource Management. They are responsible for fostering an ethical culture and ensuring that the organization meets its social obligations. This transformation requires HR to be a strategic partner.

60. (B) P-2, Q-4, R-1, S-3
Godrej Group focuses on environment and conservation efforts. Infosys Foundation supports social development, arts, and schools. MRF Tyre promotes sports activities like cricket. ITC Ltd. is involved in rural development, agriculture, and pollution control. These examples show how leading Indian companies target specific social and environmental sectors. They fulfill their corporate social responsibility obligations effectively through diverse initiatives.

61. (D) Only I, II, IV, and V
Basic principles of good corporate governance include accountability, consensus-oriented decisions, equitable practices, and documentation of procedures. Statement III is incorrect because governance requires transparency, not opaqueness. By following these principles, the Board ensures that the organization is responsive to stakeholders and maintains a clear path toward its goals. Documentation ensures that policies are applied consistently across the entire business organization.

62. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Indian corporations increasingly view CSR as a tool for competitive advantage because a strong reputation can protect a company during crises. When a business consistently contributes to society, it builds a reservoir of goodwill. This positive image helps maintain consumer loyalty and investor confidence. It provides a strategic buffer that helps the organization remain resilient and remain in a positive light.

63. (D) Only I, III, and IV
Economic responsibility is a baseline requirement because failing firms go out of business. Lowering costs through recycling is an example of this responsibility. Statement II is incorrect because modern economic responsibility should consider social effects rather than ignoring them. Profitability is the foundation that allows a company to fulfill all other obligations. It ensures the business provides value to owners and society.

64. (C) Aristotle's Virtue Theory
Prioritizing character traits like prudence, temperance, and justice aligns with Aristotle's Virtue Theory. This approach focuses on the inherent excellence of the individual's character rather than just their specific output. By hiring virtuous individuals, an organization builds a foundation of integrity. These habits lead to consistently ethical decision-making. Character is viewed as the primary driver of right and wrong actions.

65. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Business ethics is considered relative because moral standards often vary across different cultures, countries, and even specific businesses. What is considered ethical in one environment

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83. (D) Assertion (A) is false, but Reason (R) is true.
Judging success solely by profit is an outdated view; modern excellence is benchmarked by the 'Triple Bottom Line'—Profit, Planet, and People. This approach recognizes that a business must be economically viable, environmentally responsible, and socially beneficial. Embracing these three pillars helps organizations achieve sustainable growth. It maintains a positive relationship with society and the environment they operate in.

84. (C) Fairness
Rectifying a situation where a CEO receives preferential treatment over junior employees directly upholds the ethic of fairness. Ethical organizations emphasize that rules apply equally to everyone, regardless of their position. By ensuring that audit rules are applied consistently, the HR department maintains integrity. This fosters a culture where all employees feel valued and treated with professional and moral equity.

85. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
The line between legal and ethical expectations can be blurry because laws are often rooted in ethical principles. However, ethics goes beyond mere compliance by asking organizations to respond to the spirit of the law. This relationship means that what is considered an ethical expectation today may become a codified legal requirement. Ethics involves doing what is right even without specific mandates.

86. (A) Only I, III, and IV
Section 37 disallows CSR as a business expense, while relief fund contributions and certain projects under Section 35AC may enjoy exemptions. Statement II is incorrect because deductions for Swachha Bharat Kosh are not permissible if the sum is part of mandated CSR. These rules ensure that while some specific charitable acts are incentivized, the core mandated spend remains from profit.

87. (B) Mark J. Pastin
Mark J. Pastin defined the ground rules for ethical organizations, which include individuals assuming personal responsibility. His framework emphasizes that ethics is about purpose and fairness, where everyone's interests count. By rejecting collective anonymity in favor of individual accountability, an organization ensures that its members are more conscious of moral consequences. This leads to a stronger overall ethical climate within the business.

88. (D) Only II, III, IV, and V
Contributions to relief funds, scientific research, and specific projects have diverse tax treatments. There is no blanket CSR exemption. Statement I is incorrect because CSR is explicitly not allowed as a standard business deduction under Section 37. These regulations create a nuanced tax framework where the nature of the social activity determines if it qualifies for any specific tax incentives.

89. (B) Ethics, as it involves deliberate reasoning about stakeholder interests.
Reporting a legal but exploitative loophole involves deliberate reasoning about what is right and fair for stakeholders, which is the essence of ethics. It differs from morals, which are based on tradition, and philanthropy, which is about giving away profit. This scenario shows how ethics requires active deliberation. It ensures that organizational actions align with values of fairness and responsibility.

90. (A) Both Assertion (A) and Reason (R) are true, and Reason (R) is the correct explanation of Assertion (A).
Good corporate governance requires a robust environment of public governance. If a country's legal systems are weak or corrupt, it creates an environment where unethical business practices can flourish. Public governance provides the external structure and rule of law that supports standards of transparency. It is necessary for effective corporate governance to be maintained within individual organizations and industries.

91. (B) Adopt a holistic approach, build reputation, and gain a competitive edge.
For medium-sized enterprises, voluntary CSR is a strategic investment in building a strong reputation. By adopting a holistic approach that includes community development, these firms foster goodwill. This proactive engagement with social issues can differentiate a company from its competitors. It builds long-term loyalty

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subjective psychological concept. Measuring benefits like health or life is often intractable, which is a significant limitation of the theory. While it aims for the greatest good, the difficulty in accurately quantifying these outcomes means it cannot be used as a simple formula for resolving moral conflicts.

75. (D) Process
In the 4 Ps of corporate governance, the 'Process' represents the mechanism through which a company's aims are achieved. If the staff is skilled and the goals are clear, but the linkage between them is flawed, then the process needs restructuring. Improving internal systems and controls ensures that objectives are translated into successful outcomes. Efficient processes are essential for robust organizational governance.

76. (A) Only Statement I is correct.
Organizational excellence is benchmarked by the 'Triple Bottom Line'. Statement II is incorrect because HR professionals must understand business and governance in the context of Strategic Human Resource Management. They are responsible for fostering an ethical culture and ensuring the organization meets its social obligations. This transformation requires HR to be a strategic partner. This partner supports the long-term sustainability of the firm.

77. (D) John Stuart Mill's Utilitarian Theory
The manager's decision to deviate from protocol based on utility and happiness for a large number of people is an application of Utilitarianism. This theory evaluates the morality of an action based on its consequences and ability to maximize welfare. By prioritizing beneficial outcomes for the community, the manager is applying a consequentialist framework. This approach focuses on achieving the greatest good.

78. (B) Only I, II, III, and V
CSR provides advantages such as improved financial performance, enhanced brand image, increased sales, and the ability to attract talent. Statement IV is incorrect because CSR usually aims to improve relationships with regulators rather than increasing scrutiny. These benefits demonstrate that social responsibility is a strategic tool. It enhances a company's market position and supports long-term profitability while benefiting the community.

79. (D) Assertion (A) is false, but Reason (R) is true.
Traditionally, Indian CSR focused predominantly on outside stakeholders, often neglecting internal employees. The modern approach now emphasizes a more holistic strategy that includes both internal and external stakeholders. Integrating the interests of employees with those of the community ensures a more balanced social strategy. This shift recognizes that an organization's internal culture is vital for sustainable and holistic corporate success.

80. (D) Assertion (A) is false, but Reason (R) is true.
Governance of risk is not purely an operational function; it is a fundamental responsibility of the Board of Directors. Boards must oversee the identification and assessment of all major risks. While management implements mitigation, the Board provides the necessary oversight and sets the risk appetite. This accountability is a core best practice in ensuring effective corporate governance and long-term financial stability.

81. (C) The Board of Directors
Establishing accountability for mitigating industrial and environmental risks is a recognition that risk governance is the responsibility of the Board of Directors. The Board must ensure that the organization has robust systems to identify and manage risks that could affect reputation. This high-level oversight is essential for protecting stakeholders. It ensures the company's long-term operational and strategic success.

82. (A) Only I, II, III, and IV
Ethics is a generalized value system that determines right or wrong, while values are personal and judge desirability. Statement V is incorrect because ethics is often what motivates individuals, while morals or cultural constraints are what hold them back. Understanding these distinctions helps organizations develop comprehensive ethical frameworks. These frameworks respect personal values while maintaining clear standards for professional conduct.

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